

# Diploma In Islami Banking (DIB)

## Part-I

### Paper: 104-Principal of Management

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### Suggestion

- *Read 4 star and 5 star marked chapter if you have time shortage to read all chapter.*
- *Must read short notes from all chapter.*
- *MetaMentor Center suggest to read whole note to find 100% common in exam. We cover everything in our note.*

Important	Details	Number of Question common in previous years
*****	Module- A:Basic Management Concepts	32
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*****All short note from all chapter and end of note *****		

## Syllabus

**Module- A. Basic Management Concepts** – Management: Definition - Nature – Scop Importance -Objectives - Functions - Theories - Management Science, Evolution of Management Thought - Patterns of Management Analysis - Systems approach applied to Management.

**Module- B. Islamic Concept of Management** - Scope, Importance, Nature, Objectives - Prophetic Management at Madina - Principles and Process of Islamic Management.

**Module- C. The Environment** – Social Responsibility of Management in Islamic Perspective, Internal Environment, External Environment.

**Module- D. Planning** - Islamic Concept, nature and Objectives - The Nature, Purpose of Planning; Objectives; Strategies and Policies - Decision Making - Case Analysis.

**Module- E. Organizing** - Islamic Viewpoint - the Nature and Purpose of Organizing - Basic Departmentation -Line/Staff - Authority and Decentralization - Committees and Group Decision Making. Models and Limitations of Organizational Behavior.

**Module- F. Staffing** - The Nature and Purpose of Staffing – Selection - Performance Appraisal - Change and Organizational Development.

**Module- G. Supervising and Controlling** - Nature - Scope - Span of Supervision - Responsibility of Supervisors in Islamic Perspective. Islamic Meaning of Control - The System and Process of Controlling – Productivity and Operation Management - Overall and Preventive Control - Case Analysis.

**Module-H. Motivation:** Mainsprings of Motivation, Motivating Employees Job satisfaction, Developing a sound Organization Climate.

**Module- I. Leadership:** Islamic Concept of Leadership - Team Building and its Procedures – Leadership Development in Islam - Direction - Communication - Case Analysis.

**Module- J. Human Resources Management:** Organization for Personnel Management - Manpower Planning -Estimation of manpower needs - Manpower Recruitment and Selection - Career Planning – Appraising Personnel Performance - Human Resources Development - stress and conflict management.

**Module-K. Management Information System (MIS)** – Management of branch-level productivity, efficiency, profitability - performance evaluation – Special Needs for urban, semi-urban and rural branches.

## Module- A

### Basic Management Concepts

**Q-01. Define management. How does management cycle work? (October-2023, November-2024).**

**Or, What is management cycle? (April-2018, November-2022)**

**Definition of Management:** Management is the process of transforming resources into results by combining human and material resources effectively. It involves planning, organizing, coordinating, and regulating activities to achieve goals. Management is a dynamic and social process that ensures the efficient operation of an organization. It applies to all levels of management and is distinct from functional areas like marketing or finance.

The **management cycle** is a series of steps that managers follow to ensure effective functioning and to achieve organizational goals. It typically consists of four main stages: planning, organizing, leading, and controlling.

1. **Planning:** This stage involves setting objectives and determining the best course of action to achieve them.
2. **Organizing:** At this point, resources and tasks are arranged in a structured way to optimize the efficiency of operations.
3. **Leading:** Involves motivating and directing staff to work effectively towards the organization's goals.
4. **Controlling:** Managers monitor and evaluate the progress and outcomes of organizational activities to ensure that goals are being met and make adjustments as necessary.

This cycle is continuous, with the results of the controlling phase feeding back into the planning stage, allowing for ongoing improvement.

**Q-02. “Management means problem solving and decision making” – explain with example. (April-2024).**

- Management involves identifying problems in the organization and finding effective solutions.
- Decision making is a key function where managers choose the best option among alternatives.
- These two activities help in achieving goals smoothly and efficiently.
- Example:** If a bank branch has long queues, the manager must:
  - (a) Find out the cause (problem solving), such as slow service or lack of staff.
  - (b) Decide whether to add more counters or improve staff training (decision making).
- This shows that a manager’s main role is to solve issues and take smart decisions every day.
- Without timely problem solving and decision making, an organization cannot run effectively.

**Q-03. “Management means different things to different people” – explain with example. (May-2022).**

1. **Business perspective:** For a business owner, management means achieving profit, growth, and market success.
2. **Employee view:** Employees see management as guidance, support, and fair treatment at the workplace.
3. **HR focus:** Human resource managers view it as handling recruitment, training, and employee welfare.
4. **Customer outlook:** Customers consider good management as providing quality service and timely support.
5. **Government angle:** For regulators, management involves maintaining compliance and legal operations.

**Example:** In a school, the **teacher** sees management as classroom organization, while the **principal** sees it as overall school planning and discipline.

Management is a broad concept. Its meaning changes based on who is involved and what their goals are.

**Q-04. Management is the process of designing and maintaining an environment in which individuals working together in group effectively and efficiently accomplish selected aims – explain the statement. (May-2023).**

1. **Designing environment:** Management creates plans, structures, and systems so people know what to do and how to do it.
2. **Maintaining order:** It ensures smooth teamwork by guiding, supervising, and solving problems regularly.
3. **Working together:** Management helps people in a group cooperate instead of working individually.
4. **Achieving goals:** It ensures that the team meets their targets on time (effectiveness) and with minimum resources (efficiency).

**Example:** In a bank, the manager arranges staff, assigns tasks, sets service goals, and monitors daily work so the branch runs well.

This shows that management is about creating the right setup and keeping it active so teams can achieve shared goals properly.

**Q-05. “A manager must be a leader of employees” – do you think so? Put arguments for your answer. (May-2022).**

**Or, A successful manager is a good leader’ – do you think so? Put arguments for your answer. (April-2024).**

Yes, I agree. A manager must be a good leader to be successful. Here’s why:

1. **Motivation:** A leader inspires and motivates employees to give their best effort.
2. **Guidance:** Employees need direction and support, which a leader provides.
3. **Trust building:** Leadership builds trust between manager and team.
4. **Teamwork:** A good leader encourages cooperation and reduces conflict.
5. **Goal achievement:** Leadership ensures everyone works toward the same target.

**Example:** In a bank, a manager who leads well creates a positive work environment where staff serve customers efficiently and happily.

A manager with leadership skills not only manages tasks but also influences people positively, which leads to long-term success.

**Q-06. “A branch manager may be effective but not efficient” – put arguments for or against. (October-2019).**

Yes, this is possible. A branch manager can achieve goals (effective) but still use more time or resources than needed (not efficient).

**Arguments for the statement:**

1. **Goal achieved, but wasteful:** The manager meets customer targets but with too many staff or overtime costs.
2. **Delayed decisions:** Tasks get done, but slowly, reducing productivity.
3. **Poor resource use:** Materials or money are not used wisely, increasing costs.
4. **Example:** A bank manager opens 100 new accounts (effective) but needs 10 staff instead of 5 (not efficient).

Effectiveness means doing the right task, while efficiency means doing it with less time, cost, or effort. A good manager should aim to be both.

**Q-07. Who are called managers of a bank? Do you think that MD is manager of a bank? Explain with your argument. (October-2019).**

**Arguments For:** A branch manager can be effective in achieving organizational goals (like meeting sales targets or expanding operations) while still being inefficient in resource management. For instance, if the manager drives high sales by hiring excessive staff or overspending on marketing, they achieve effectiveness (goal attainment) but lack efficiency (optimal resource use). This aligns with concepts in Management by Weirich & Koontz, which distinguish between doing things right (efficiency) and doing the right things (effectiveness). Similarly, Personnel Management by Juicus highlights that productivity doesn't always equate to cost-effectiveness.

**Arguments Against:** However, Islamic management principles emphasize balanced, ethical resource utilization. True leadership (requires both goal achievement and sustainable practices. Wastefulness contradicts Islamic business ethics and long-term success.

**Q-08. Why is management called the science of attaining efficiency? (April-2019).**

1. **Systematic Approach:** Management uses proven methods and principles to optimize work processes
2. **Resource Optimization:** Focuses on achieving maximum output with minimum input (time, money, effort)
3. **Waste Reduction:** Implements strategies to eliminate unnecessary costs and inefficiencies
4. **Productivity Focus:** Improves work methods to enhance overall performance
5. **Goal-Oriented:** Ensures all activities contribute effectively to organizational objectives
6. **Universal Application:** Applies to all types of organizations (business, government, non-profit)
7. **Continuous Improvement:** Regularly evaluates and refines processes for better results
8. **Measurable Outcomes:** Uses performance indicators to track efficiency gains

**Q-09. What is multiplicity of objectives? How the objectives of an Islamic bank may be set?**

**Or, Explain from the hierarchy of objective concept. (October-2019).**

**Or, What is multiplicity of objectives of an organization? Give an example. How objective of an organization is set in a bank? Explain.(Nov-2025)**

Multiplicity of objectives refers to the existence of multiple, sometimes competing, goals that an organization must balance. Unlike conventional businesses that primarily focus on profit maximization, Islamic banks operate under a broader framework that integrates financial, social, ethical, and religious objectives.

**Example:**For example, an Islamic bank may aim to increase profitability by expanding investment. At the same time, it must avoid interest-based income and ensure Shariah compliance. Therefore, it must balance profit objective with religious and ethical objectives.

**These objectives may include:**

Islamic banks have multiple important goals that work together:

1. **Religious Goals** - Follow Shariah law (no interest, ethical investments)
2. **Money Goals** - Make halal profits to stay in business
3. **People Goals** - Help the community and be fair to customers
4. **Growth Goals** - Support good businesses and the economy

**Hierarchy of Objectives in Islamic Banks:**

1. **Top Level - Must Do First:**
  - Obey Allah's rules in all banking
  - Never break Islamic principles
2. **Second Level - Important Business Goals:**
  - Make enough halal money to keep running
  - Help poor people through special Islamic tools like zakat

3. **Third Level - Daily Work Goals:**

- Create good Islamic products (like profit-sharing accounts)
- Keep customers happy and safe

4. **Bottom Level - Staff Goals:**

- Train workers in Islamic finance
- Use money and time wisely

**Q-10. “Management concepts, principles and policies can be similarly applied to all organizations irrespective of size and nature” – explain the statement with universalism of management concept. (October-2019).**

**Universalism of Management Concept Explained Simply**

The statement means that core management ideas—like planning, organizing, leading, and controlling—work for any organization, big or small, profit or non-profit. This is called **universalism of management**.

**For example:**

- A **small shop** and a **large bank** both need to plan budgets, organize staff, and monitor performance.
- A **school** and a **hospital** both require leadership and clear policies, even though their goals differ.

Key reasons why management principles are universal:

1. **Same Core Functions** – All organizations need efficiency and goal achievement.
2. **Adaptable Tools** – Techniques like delegation or motivation apply everywhere.
3. **Structured Processes** – Policies ensure smooth operations in any setting.

While industries differ, the **basic rules of management remain the same**.

**Q-11. Discuss the core functions of management. (October-2021).**

**Functions of Management**

1. **Planning** – Setting goals and strategies (What to do? How to do it?).
2. **Organizing** – Assigning tasks, resources, and structure (Who does what?).
3. **Staffing** – Hiring, training, and retaining the right people (Not always separate but crucial).
4. **Leading** – Motivating and guiding teams (Inspire, communicate, resolve conflicts).
5. **Controlling** – Monitoring performance and correcting deviations (Stay on track).
6. **Coordinating** – Ensuring all departments work together smoothly (Added by some experts).

**Example:** A **restaurant** uses all six:

- Plans menus, organizes kitchen staff, hires (staffing), leads waiters, controls food quality, and coordinates between chefs and servers.

**Q-12. Under what circumstances planning is treated as mother function of any discipline to manage the organization? (October-2019).**

Planning is considered the foundation of management in these key situations:

1. **Starting New Projects/Ventures** – Every organization begins with a plan (business plan, strategy). Without it, actions lack direction.
2. **Crisis or Change** – When problems arise (like market shifts), planning helps find solutions.
3. **Goal Setting** – Clear objectives (sales targets, growth) are set through planning first.
4. **Resource Allocation** – Deciding where money, time, and effort go requires planning before action.

**Example:**

- A **new school** first plans its curriculum, budget, and staff before opening.
- A **company facing losses** replans its strategy to recover.

Since all other functions (organizing, staffing, etc.) depend on having a clear plan first, it's called the "mother function."

**Q-13. Discuss the characteristics of strategic plan. (April-2018).**

A strategic plan has these key features:

1. **Long-Term Focus** – Covers 3-5+ years (not daily tasks).
2. **Big-Picture Goals** – Targets major growth/market changes.
3. **Resource Allocation** – Plans how to use money, people, and time wisely.
4. **Flexible** – Adjusts to new challenges (competition, trends).
5. **Top-Level Input** – Created by senior leaders/CEO.
6. **Measurable** – Sets clear success metrics (e.g., 20% market share by 2027).

**Example:** A tech company's strategic plan may include:

- Entering 3 new countries by 2030.
- Investing 30% budget in AI research.

Unlike short-term plans, it's about **where to go**, not how to do daily work.

**Q-14. F.W. Taylor is acknowledged as the 'Father of Scientific Management'. Explain the principal concern of F.W. Taylor to shift the traditional management to the scientific management. (May-2023) Or, "F.W. Taylor shifted the traditional management to the scientific management" — explain the points in brief. (November-2024).**

F.W. Taylor, called the 'Father of Scientific Management', wanted to replace inefficient traditional methods with science-based systems. His main concerns were:

1. **Ending Guesswork** - He hated how workers used slow, random methods ("rule of thumb")
2. **Finding Best Methods** - Used time-motion studies to discover the fastest way to do each job
3. **Standardizing Work** - Created exact procedures/tools for every task
4. **Matching Workers to Jobs** - Assigned people to tasks they could do best
5. **Fair Pay for Productivity** - Paid workers more for doing jobs the "scientific" way

**Example:** Before Taylor: Workers shoveled coal slowly with different techniques.

After Taylor: All used same-sized shovels, optimal motions, and produced 3x more

**Why It Changed Management:**

- Proved efficiency could be calculated, not guessed
- Showed higher wages could come from higher productivity
- Made management a true science

**Q-15. Why Henri Fayol is called the father of modern operational management? (April-2020).**

Henri Fayol earned this title because he created the first complete system for running organizations efficiently. Here's why he's so important:

1. **14 Management Principles** - He wrote clear rules like "division of work" and "unity of command" that all companies still use today.
2. **5 Management Functions** - He identified the key jobs managers must do:
  - Planning
  - Organizing
  - Commanding
  - Coordinating
  - Controlling
3. **Whole-Company Approach** - While Taylor focused on workers, Fayol explained how to manage entire organizations.
4. **Universal Application** - His ideas work for any business - factories, schools, hospitals.

**Example:** A restaurant using Fayol's ideas:

- Divides work (chefs, waiters)
- Plans menus in advance
- Keeps clear leadership (one manager)
- Controls food quality

**Why He Matters:**

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- Created the foundation for all modern business management
- Showed that good management can be taught
- Proved the same rules work for small shops and big companies

**Q-16. Mention the principles of scientific management. ‘Scientific management is a mental revolution’ – comment. (October-2018).**

Taylor called it a "mental revolution" because it required **both managers and workers to completely change their thinking**:

- **Workers** had to:
  - Stop slowing down ("soldiering")
  - Trust that higher productivity = higher pay
- **Managers** had to:
  - Stop treating workers as replaceable
  - Invest in training and fair wages

**Example:** Before: Workers hid best techniques to protect jobs; managers paid flat wages.

After: Shared knowledge boosted efficiency, and profits rose for all.

**Q-17. How do the principles of scientific management support to attain a successful management? (October-2021).**

**Or, How can scientific management contribute to increasing the success of the organization?(Nov-2025)**

F.W. Taylor's scientific management principles help organizations succeed by creating **efficiency, fairness, and growth**. Here's how:

- 1. Best Methods = Higher Productivity**
  - Replacing guesswork with studied techniques boosts output.
  - Example: A factory using time-motion studies produces more goods in less time.
- 2. Teamwork Over Conflict**
  - Workers and managers cooperate instead of fighting.
  - Example: Fair wages for higher effort reduce strikes.
- 3. Skilled Workers = Better Results**
  - Training ensures employees work smarter, not harder.
  - Example: Teaching staff optimal methods reduces errors and waste.
- 4. Fair Rewards Motivate Everyone**
  - Linking pay to performance encourages workers to excel.
  - Example: Bonus systems increase both effort and job satisfaction.

**Why It Works?**

- Cuts costs while raising quality.
- Builds trust between staff and leaders.
- Makes success measurable and repeatable

**Q-18. What are the principles of Management proposed by Henri Fayol? (October-2018).**

**Henri Fayol's 14 Principles of Management:**

- 1. Division of Work** – Specialize tasks for efficiency (Example: Assembly line workers focus on one job).
- 2. Authority & Responsibility** – Managers must have power but also be accountable.
- 3. Discipline** – Clear rules and obedience are essential.
- 4. Unity of Command** – Each worker reports to only one boss.
- 5. Unity of Direction** – One plan for all teams with the same goal.
- 6. Subordination of Individual Interest** – Team goals come before personal goals.

7. **Remuneration** – Fair pay keeps workers motivated.
8. **Centralization** – Balance decision-making (some by leaders, some by staff).
9. **Scalar Chain** – Clear hierarchy from top to bottom.
10. **Order** – Right people/materials in the right place.
11. **Equity** – Kindness and fairness in treating employees.
12. **Stability of Tenure** – Avoid unnecessary turnover.
13. **Initiative** – Encourage employees to suggest ideas.
14. **Esprit de Corps** – Team spirit boosts performance.

**Q-19. “Corporate leaders in banks are not by born rather made.” Do you agree? (April-2020). Or, "Political leaders are born but corporate leaders are made"- put your agreements for or against with reference to the banks in Bangladesh.(Nov-2025)**

I agree because:

1. **Skills Can Be Learned**
  - Leadership requires training in finance, risk management, and teamwork—not innate talent.
  - Example: CEOs like Jamie Dimon (JPMorgan) started as analysts and learned through experience.
2. **Education Matters**
  - Most bank leaders have degrees (MBA, finance) and certifications (CFA).
  - Example: Weirich & Koontz show management is a teachable science.
3. **Experience Shapes Leaders**
  - Handling crises (like 2008 financial crash) trains better decision-makers.
  - Example: No one is "born" knowing how to manage a bank merger.
4. **Soft Skills Are Developed**
  - Communication, ethics, and adaptability grow through mentorship and practice.

**Q-20. Describe the evolution of management thoughts. (October-2023).**

**The Evolution of Management Thought**

1. **Early (Pre-1900s):**
  - **Traditional/Ad-hoc Management** – No formal rules; work done by experience or family traditions (e.g., craft guilds).
2. **Classical Era (1900s-1920s):**
  - **Scientific Management (Taylor)** – Focused on efficiency, "one best way" to do tasks.
  - **Administrative Theory (Fayol)** – 14 principles for organizing companies (e.g., unity of command).
3. **Human Relations (1930s-1950s):**
  - **Hawthorne Studies** – Showed worker morale and social needs impact productivity.
  - **Maslow’s Hierarchy** – Highlighted motivation (pay, respect, growth).
4. **Modern Approaches (1960s-Present):**
  - **Systems Theory** – Organizations as interconnected parts (e.g., departments working together).
  - **Contingency Theory** – No "best" method; adapt to situations.
  - **Digital Age** – Tech-driven management (AI, remote work, data analytics).

**Q-21. Discuss the pattern of Management Analysis. (May-2022).**

Management analysis follows a structured approach to solve problems and improve efficiency. Here’s the typical pattern:

1. **Identify the Problem**
  - Recognize issues (e.g., low productivity, high costs).

- Example: A bank notices customer complaints rising.
- 2. Gather Data**
  - Collect facts through reports, surveys, or observations.
  - Example: Analyze complaint logs and employee feedback.
- 3. Analyze Causes**
  - Use tools like SWOT (Strengths, Weaknesses, Opportunities, Threats) or root-cause analysis.
  - Example: Find out if staff training or system errors cause complaints.
- 4. Develop Solutions**
  - Brainstorm fixes (e.g., better training, new software).
  - Example: Implement a customer service training program.
- 5. Implement and Monitor**
  - Apply the solution and track results.
  - Example: Check if complaints decrease after training.
- 6. Review and Improve**
  - Adjust strategies based on outcomes.
  - Example: Refine training if issues persist.

**Q-22. Differentiate between an Administrator and a Manager in an organization. (October-2023).**

Difference	Administrator	Manager
1. Definition	Sets policies & long-term goals for the organization	Implements policies & manages daily operations
2. Decision Level	Strategic (e.g., market expansion)	Tactical (e.g., team workflow)
3. Time Focus	Long-term (3-5+ years)	Short-term (weeks/months)
4. Accountability	Answerable to stakeholders/owners	Answerable to administrators
5. Example	A hospital board deciding to build a new wing	A nurse supervisor ensuring staff shifts run smoothly

**Q-23. Explain the ‘Management role theory’ in developing efficient management of an organization. (April-2019).**

Management Role Theory, proposed by Henry Mintzberg (later supported by Koontz & Wehrich), explains that managers perform **10 key roles** to ensure organizational efficiency. These roles fall into 3 categories:

**1. Interpersonal Roles (People-Focused)**

- **Figurehead:** Represents the company (e.g., CEO signing documents).
- **Leader:** Motivates teams (e.g., resolving conflicts).
- **Liaison:** Connects with external partners.

**2. Informational Roles (Knowledge-Based)**

- **Monitor:** Tracks performance data.
- **Disseminator:** Shares info with staff.
- **Spokesperson:** Communicates with outsiders (e.g., media).

**3. Decisional Roles (Action-Oriented)**

- **Entrepreneur:** Drives innovation.
- **Disturbance Handler:** Solves crises.
- **Resource Allocator:** Distributes budgets/tools.
- **Negotiator:** Deals with contracts/disputes.

**Q-24. Discuss Henry Mintzberg's Managerial role approach to management with its application in Islamic banks in Bangladesh. (October-2023).**

Mintzberg's theory defines 10 managerial roles under three categories, highly applicable to Islamic banks in Bangladesh:

**1. Interpersonal Roles**

- **Figurehead:** Shariah Board Chair symbolizes ethical leadership.
- **Leader:** Branch managers motivate staff to follow Islamic principles (e.g., profit-sharing models).
- **Liaison:** Connects with regulators (Bangladesh Bank) and Islamic financial bodies.

**2. Informational Roles**

- **Monitor:** Tracks compliance with Shariah law (e.g., auditing halal transactions).
- **Disseminator:** Trains staff on Islamic finance products (Mudarabah, Murabaha).
- **Spokesperson:** Reports to stakeholders about ethical performance.

**3. Decisional Roles**

- **Entrepreneur:** Launches new Shariah-compliant services (e.g., green Islamic bonds).
- **Disturbance Handler:** Resolves disputes over profit distribution.
- **Resource Allocator:** Ensures funds avoid haram (forbidden) investments.
- **Negotiator:** Partners with NGOs for microfinance initiatives.

**Q-25. Why do management analysis and practice require a system approach? Do managers operate in open system or closed system? Explain in brief. (October-2023).**

Organizations are complex, with many interconnected parts (departments, people, tools). A **systems approach** helps managers:

1. **See the Big Picture** – Understand how one change (e.g., new tech) affects other areas (staff, costs).
2. **Solve Problems Better** – Fix root causes, not just symptoms (e.g., low sales → poor training + weak marketing).
3. **Adapt to Changes** – Adjust to external shifts (market trends, laws).

**Open vs. Closed Systems**

- **Open System:** Most organizations (like banks) interact with the outside world (customers, competitors, laws). Example: An Islamic bank responds to Bangladesh's banking policies.
- **Closed System:** Rare; ignores external factors (e.g., a lab with no outside inputs).

**Why Managers Work in Open Systems?**

They must adjust to:

- Customer needs
- Competitors
- Government rules
- Economic changes

**Q-26. Discuss how systems approach to management can provide harmony towards the achievement of goals. (April-2018).**

The systems approach views an organization as a unified whole where all parts work together. Here's how it ensures harmony:

**1. Integration of Departments**

- Aligns marketing, operations, and finance to avoid conflicts (e.g., sales targets match production capacity).

**2. Balances Internal & External Needs**

- Adjusts to customer demands and employee skills for smooth operations.

**3. Feedback Loops**

- Monitors results (e.g., sales data) to fix issues quickly before they disrupt goals.

**4. Resource Optimization**

- Allocates money, staff, and tools where most needed to avoid waste.

**Example:** An Islamic bank uses this approach by:

- Linking Shariah compliance (legal/spiritual) with profit goals (business).
- Training staff (internal) to serve customers (external) better.

**Q-27. Describe the various concerned parties observing the responsibilities of management. (April-2018)**

Management's duties are monitored by multiple stakeholders, each with unique expectations:

1. **Owners/Shareholders:** Expect profits and growth (e.g., dividend payments).
2. **Employees:** Demand fair treatment, safe workplaces, and timely wages.
3. **Customers:** Seek quality products/services at fair prices.
4. **Government/Regulators:** Ensure compliance with laws (e.g., tax, labor, banking rules).
5. **Society/Community:** Judge ethical impact (e.g., environmental care, social responsibility).
6. **Suppliers & Partners:** Rely on timely payments and honest dealings.

**Q-28. How does management works for solving problems and making decisions? (May-25)**

Management works to solve problems and make decisions through a structured process. This helps organizations operate efficiently and achieve their goals. The steps typically include:

1. **Identify the Problem:** Managers first detect the actual problem that needs solving.
2. **Gather Information:** They collect data and relevant facts to understand the issue fully.
3. **Analyze the Problem:** The root cause of the problem is analyzed to avoid repeating mistakes.
4. **Develop Alternatives:** Multiple possible solutions are created for consideration.
5. **Evaluate Alternatives:** Each solution is assessed for its benefits, costs, and risks.
6. **Select the Best Solution:** Managers choose the most effective and practical option.
7. **Implement and Monitor:** The chosen solution is applied, and progress is monitored to ensure success.

By following these steps, management can solve problems systematically and make informed decisions that benefit the organization.

**Q-29. Write the conceptual framework of universality of management. (May-25)**

The **conceptual framework of universality of management** means that management principles and practices are applicable to all types of organizations — whether business, government, education, or non-profits — and at all levels of management. The core functions of management like **planning, organizing, staffing, directing, and controlling** are common to all organizations regardless of their size, nature, or purpose.

**For example**, a bank manager, a hospital administrator, and a school principal all apply similar management techniques to achieve their specific goals. This universality shows that while objectives may differ, the methods to manage people, resources, and processes are similar across sectors.

Universality also means that management skills are transferable from one organization to another. Good management ensures efficiency, productivity, and goal achievement in any setting.

**Q-30. "Management is not a start and end process rather it is a cyclical process"-explain the statement with specific example. (May-25)**

The statement "**Management is not a start and end process rather it is a cyclical process**" means that management is a continuous, repeating series of steps rather than a one-time activity. Managers follow a **cyclical process** to keep organizations efficient and goal-oriented.

**The Cyclical Process of Management:**

1. **Planning:** Set goals and decide actions to achieve them.
2. **Organizing:** Arrange resources and assign tasks to teams.
3. **Leading:** Guide, motivate, and supervise employees to implement plans.
4. **Controlling:** Monitor performance and compare it with the plan.

**5. Feedback:** Identify gaps or issues from results and re-plan as needed.

For example, a bank plans to improve customer service, organizes staff training, leads the team to apply new methods, controls by reviewing customer feedback, and then re-plans if service is still lacking. This cycle repeats to ensure continuous improvement.

**Q-31. Discuss the different approaches to management. Give an example of each approach to management from banking perspective. (May-25)**

There are several important **approaches to management**, each providing different strategies to enhance organizational effectiveness. The main approaches include:

- 1. Classical Approach:** Focuses on structure, efficiency, and clear procedures.  
*Bank Example:* Setting standardized rules for loan processing to minimize errors.
- 2. Behavioral Approach:** Emphasizes motivation, leadership, and employee relations.  
*Bank Example:* Offering staff rewards and training to improve customer service.
- 3. Quantitative Approach:** Uses data, statistics, and models for better decision-making.  
*Bank Example:* Applying data analytics to assess credit risk in loan approvals.
- 4. Systems Approach:** Sees the organization as interconnected departments working together.  
*Bank Example:* Coordinating between IT, HR, and customer service to improve digital banking.
- 5. Contingency Approach:** Management techniques vary based on the situation.  
*Bank Example:* Adopting different customer service strategies in urban vs. rural branches.

Each management approach provides valuable insights. In banking, combining these approaches helps improve efficiency, customer satisfaction, and adaptability.

**Q-32. "Some managers are efficient but not effective" Comment on the statement with special reference to Bangladesh. (May-25)**

The statement "**Some managers are efficient but not effective**" means that a manager can complete tasks with minimum time and resources (efficient) but may fail to achieve the organization's actual goals (not effective).

In Bangladesh, this is often seen in public and private organizations. For example, a bank manager might quickly process many loan applications (efficient) but if most loans go to risky borrowers and increase defaults, the goal of profitability is not achieved (ineffective).

Efficiency focuses on **doing things right**, while effectiveness focuses on **doing the right things**. A good manager must balance both to succeed in Bangladesh's competitive banking and business sectors.

Example: In some government offices in Bangladesh, paperwork is processed quickly but service quality remains poor — showing efficiency without effectiveness.

## Short Notes

**Q-01. School of management – (November-2024).**

The evolution of management theory encompasses several distinct schools that reflect changing organizational paradigms. The classical school, pioneered by Taylor and Fayol, established foundational principles of scientific management and administrative theory. Subsequent behavioral approaches, informed by Hawthorne studies and Maslow's hierarchy, emphasized human motivation and group dynamics. Systems theory introduced holistic perspectives on organizational interdependencies, while contingency theory highlighted situational adaptability.

Mintzberg's empirical work challenged conventional wisdom by documenting actual managerial activities. Contemporary scholarship integrates these perspectives, recognizing that effective management requires both technical precision and human sensitivity. In developing economies like Bangladesh, this theoretical pluralism helps address unique challenges of institutional transition and workforce development. Management education now emphasizes synthesizing these diverse approaches for comprehensive problem-solving.

**Q-02. Diversity of management – (November-2024).**

Modern management must navigate multidimensional diversity across cultural, institutional, and operational domains. Hofstede's cultural dimensions framework demonstrates how national values shape leadership approaches and employee expectations. Institutional theory explains how regulatory environments constrain strategic choices, particularly in regulated sectors like Islamic finance. The resource-based view emphasizes developing unique organizational capabilities as competitive advantages. In Bangladesh's context, successful managers balance global business practices with local cultural norms and religious values. Academic research identifies cultural intelligence as a critical competency for managing diverse teams across geographic and functional boundaries. Effective diversity management goes beyond compliance to leverage differences for innovation, requiring adaptive leadership styles and inclusive organizational cultures. This complexity makes contextual understanding essential while maintaining core management principles.

**Q-03. Globalization – (April-2024).**

Globalization has fundamentally transformed organizational management through complex interdependencies and heightened competition. The CAGE distance framework (Cultural, Administrative, Geographic, Economic) provides analytical tools for international market evaluation. Transnational corporations employ glocalization strategies that combine global integration with local responsiveness. Recent disruptions like the COVID-19 pandemic and trade wars have exposed vulnerabilities in global supply chains, prompting reevaluation of lean production models.

For developing economies like Bangladesh, globalization presents both challenges in meeting international standards and opportunities for technological leapfrogging. Contemporary management education emphasizes developing global mindset competencies including cross-cultural negotiation skills, ethical sensitivity, and geopolitical awareness.

**Q-04. Strategic Planning – (October-2023).**

Strategic planning has evolved from linear, top-down approaches to more dynamic, inclusive processes. Comprehensive environmental scanning now incorporates PESTEL analysis (Political, Economic, Social, Technological, Environmental, Legal factors) and Porter's Five Forces for industry evaluation. Resource-based strategies utilize VRIO framework to assess competitive advantages.

The balanced scorecard aligns performance metrics across financial, customer, internal process, and learning/growth perspectives. Scenario planning techniques enhance organizational resilience in volatile markets. Contemporary critiques caution against excessive formalism, advocating for emergent strategies that combine intentional planning with adaptive execution.

**Q-05. Universality of Management – (May-2023, Nov-2025)**

The universality of management remains a foundational yet debated concept in organizational studies. While Fayol's classical functions (Planning, Organizing, Commanding, Coordinating, Controlling) demonstrate remarkable endurance across contexts, contemporary research identifies important qualifications. The GLOBE leadership study revealed both universal principles and culture-specific variations in effective management practices.

In developing countries, successful managers adapt global best practices to local institutional voids and cultural norms. This dialectic between universal principles and contextual adaptation informs modern management education, which increasingly emphasizes both technical competencies and cultural intelligence.

**Q-06. Strategic Business Unit (SBU) – (November-2022).**

An SBU is a semi-autonomous division within a corporation that operates as an independent business with its own vision, competitors, and strategic planning. SBUs allow large organizations to focus on specific product lines or markets.

For example, a conglomerate might have separate SBUs for electronics, home appliances, and financial services. Each SBU develops tailored strategies while aligning with corporate objectives. This structure enhances market responsiveness and accountability. Academic literature emphasizes SBUs' role in portfolio management and resource allocation decisions.

#### **Q-07. Management by Objectives (MBO) – (October-2021).**

MBO is a systematic approach where managers and employees jointly set measurable goals and evaluate performance against them. Peter Drucker popularized this participative goal-setting method that aligns individual objectives with organizational aims. Key steps include goal formulation, action planning, periodic reviews, and performance appraisal.

While MBO enhances motivation and clarity, critics note it may overemphasize quantifiable targets. Contemporary adaptations incorporate flexible objectives in dynamic environments. Academic studies highlight MBO's effectiveness when combined with regular feedback.

#### **Q-08. Time Management – (October-2021).**

Time management involves prioritizing tasks, minimizing distractions, and optimizing productivity through techniques like Eisenhower's urgent-important matrix and Pareto's 80/20 rule. Effective time management reduces stress while improving work quality and life balance. Digital tools now supplement traditional methods, though research cautions against excessive scheduling. Academic literature distinguishes between clock time and event time cultures, suggesting contextual approaches. Time management training significantly enhances managerial effectiveness, particularly for middle managers juggling multiple responsibilities.

#### **Q-09. Omnipotent View of Management – (April-2020).**

This perspective attributes organizational success or failure primarily to managerial decisions, downplaying external factors. It assumes managers have near-total control over outcomes through strategic choices and implementation. While motivating accountability, this view is critiqued for underestimating market forces, institutional constraints, and luck.

The symbolic view offers a counterpoint, recognizing management's limited control in turbulent environments. Academic debate continues regarding the appropriate balance between managerial agency and environmental determinism in explaining performance variations across firms.

#### **Q-10. Triple Bottom Line – (April-2020).**

John Elkington's framework evaluates organizational performance across three dimensions: profit (economic), people (social), and planet (environmental). It challenges the single-minded profit focus by emphasizing sustainability and corporate citizenship. While popular in CSR reporting, critics note measurement challenges, especially for social impact. Academic research explores integrated reporting methods and the business case for sustainability.

The concept has evolved into ESG (Environmental, Social, Governance) metrics, reflecting growing stakeholder capitalism trends. Studies show TBL adoption correlates with long-term competitiveness in many industries.

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#### **Q-11. Consultative Management – (April-2020).**

Consultative management involves leaders seeking employee input before decision-making while retaining final authority. This participative approach boosts morale and incorporates frontline insights, particularly valuable in Islamic organizations emphasizing Shura (consultation). Faridi (1995) notes its alignment with Islamic business principles of collective decision-making. While enhancing buy-in, it may slow urgent decisions. Modern applications combine it with directive approaches for balanced leadership. Studies in the Journal of Islamic Administration show consultative banks outperform authoritarian peers in employee satisfaction.

**Q-12. Scientific Management – (October-2019).**

Pioneered by Taylor, scientific management analyzes workflows to optimize efficiency through time-motion studies and standardized procedures. Koontz (Management) highlights its focus on "one best way" for tasks. While boosting productivity, critics argue it dehumanizes workers. Islamic management integrates its efficiency principles with ethical considerations from Majumder (1996).

Modern manufacturing still uses its core concepts alongside human-centric approaches. Bangladeshi factories apply modified versions respecting worker dignity.

**Q-13. Social System Theory – (October-2019).**

This theory views organizations as communities where interpersonal relationships affect performance. Juices (Personnel Management) emphasizes its focus on informal groups and social needs. Islamic management incorporates this through emphasis on brotherhood and fairness. The Chittagong journal documents how Bangladeshi firms blending formal structure with social bonds achieve better compliance. Practical applications include team-building and considering social impacts of decisions. Critics note potential conflicts between system harmony and productivity targets.

**Q-14. Bounded Rationality – (October-2019).**

Simon's concept that managers make satisfactory (not optimal) decisions due to limited information and cognitive constraints. Koontz shows its prevalence in complex organizations. Islamic banking applies it through Sharia boards providing specialized guidance. Bangladeshi managers often face bounded rationality when navigating volatile markets. Modern decision-support systems aim to expand these bounds while acknowledging perfect rationality is unattainable. The theory explains why simplified heuristics dominate real-world choices.

**Q-15. Operational Planning – (October-2019).**

Short-term planning converting strategies into actionable steps, typically covering 1-year cycles. Weihrich details its focus on specific targets, budgets and schedules. Islamic banks use it to implement Sharia-compliant annual targets. Bangladeshi firms employ operational plans for production, staffing and Sharia audit schedules. Effective plans align departmental activities with strategic goals while allowing flexibility. The Journal of Islamic Administration highlights its role in zakat fund distribution. Digital tools now enable dynamic operational planning responsive to market changes.

**Q-16. Mc Kinsey's 7S Approach – (April-2019).**

This framework analyzes organizational effectiveness through seven interrelated elements: Strategy, Structure, Systems, Shared Values, Skills, Style and Staff. The BIIT leadership study shows its applicability to Islamic organizations where Shared Values (like Sharia compliance) influence other factors. Bangladeshi firms use it for organizational diagnostics during mergers or restructuring. While comprehensive, critics note challenges in measuring soft elements like Style. Practical applications focus on alignment across elements, particularly when introducing new technologies or entering markets.

**Q-17. Management Culture – (October-2018).**

The shared values, norms and practices shaping how organizations are managed. Avjx (2018) discusses unique aspects of Bangladeshi management culture blending Western practices with Islamic values. Key dimensions include power distance, uncertainty avoidance and collectivism. Islamic banks exemplify culture integrating profit motives with religious ethics. Cultural mismatches in joint ventures often cause failures. Modern managers must navigate global standards while respecting local cultural contexts, particularly in hierarchical societies. Training programs increasingly focus on cultural sensitivity alongside technical skills..

**Q-18. Bounded Rationality – (October-2018).**

Bounded rationality suggests that managers make decisions based on limited information, time, and cognitive capacity, rather than perfect logic. Introduced by Herbert Simon, it explains why people often choose "good enough" solutions rather than optimal ones.

**Key Aspects:**

1. **Incomplete Information** – Managers cannot analyze all data.
2. **Time Constraints** – Decisions must be made quickly.
3. **Cognitive Limits** – Human brains simplify complex problems.

**Example:** An Islamic bank manager approves a financing request based on past experience rather than a full risk analysis due to time pressure.

**Q-19. Functional Foremanship – (October-2018).**

Taylor's system dividing supervision into specialized roles (e.g., speed boss, inspector). While boosting specialization, Koontz notes its decline due to excessive fragmentation. Bangladeshi garment factories adapt modified versions with Islamic work ethics from Faridi (1995). Contemporary applications appear in quality management systems dividing oversight functions. Critics argue it creates communication barriers and conflicts. The Journal of Islamic Administration documents its limited use in Muslim-majority workplaces preferring holistic supervision. Modern versions combine specialization with team-based approaches.

**Q-20. Corporate Management – (April-2018).**

The system governing an entire corporation across multiple units or SBUs. gybøvb (2018) examines Islamic corporate governance integrating Sharia supervision. Key functions include strategic planning, capital allocation and performance monitoring. Bangladeshi conglomerates face challenges balancing centralized control with divisional autonomy.

Effective corporate management aligns business practices with stakeholder expectations, particularly in regulated industries. Digital dashboards now enable real-time corporate oversight.

**Q-21. Break Even Point (BEP) Analysis – (April-2018)**

The calculation of sales volume needed to cover total costs (fixed + variable). A core financial tool discussed in management texts, it helps pricing and expansion decisions. Islamic banks adapt it for profit-sharing products where revenue streams differ from interest models. Bangladeshi SMEs use it to evaluate feasibility before launching Sharia-compliant ventures.

While useful, limitations include assuming constant prices and linear costs. Modern versions incorporate probabilistic scenarios. The Journal of Islamic Administration documents its application in Islamic microfinance institutions assessing sustainability thresholds.

If a shop has fixed costs of 10,000, sells products at 50 each with 30 variable costs per unit, its BEP is 500 units ( $10,000 \div (50 - 30)$ )

**Q-22: Management Theory Jungle (Nov-2025):**

Management Theory Jungle refers to the situation where there are many different management theories and approaches, creating confusion about which one is correct or most effective. Over time, various scholars have developed different theories of management, such as classical theory, human relations theory, behavioral theory, systems theory, and contingency theory. These multiple views create a "jungle" of ideas. The concept was introduced by Harold Koontz, who explained that the existence of many conflicting theories makes management complex and difficult to understand clearly.

**Chapter End**

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