

PRINCIPLES OF MANAGEMENT

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What is “Principles of Management”?

Management principles are the statements of fundamental truth based on logic which provides guidelines for managerial decision making and actions.



Features of Principles of Management

1. Principles of Management are *Universal*
2. Principles of Management are *Flexible*
3. Principles of Management have a *Cause & Effect Relationship*
4. Principles of Management - *Aims at Influencing Human Behavior*
5. Principles of Management are of *Equal Importance*

A vertical decorative strip on the left side of the slide, featuring a series of colorful, concentric circles in shades of orange, yellow, green, blue, and purple, arranged in a descending, slightly curved pattern.

14 Principles of Management

(Henry Fayol)

1. Division of Labor

Henry Fayol has stressed on the specialization of jobs. He recommended that work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area.

2. Authority & Responsibility

Authority & responsibility are co-existing. **Authority** refers to the right of superiors to get exactness from their sub-ordinates whereas **Responsibility** means obligation for the performance of the job assigned.

3. Unity of Command

It provides the enterprise a disciplined, stable & orderly existence. It creates harmonious relationship between superiors and sub-ordinates.

4. Unity of Direction

According to this principle, efforts of all the members of the organization should be directed towards common goal. Fayol advocates one head one plan which means that there should be one plan for a group of activities having similar objectives.

5. Equity

It implies that managers should be fair and impartial while dealing with the subordinates. They should give similar treatment to people of similar position. Equity is essential to create and maintain cordial relations between the managers and sub-ordinate.

6. Order

This principle is concerned with proper & systematic arrangement of things and placement of people.

7. Discipline

According to Fayol, "Discipline means sincerity, obedience, respect of authority & observance of rules and regulations of the enterprise". This principle applies that subordinate should respect their superiors and obey their order.

8. Initiative

Fayol advised that management should provide opportunity to its employees to suggest ideas, experiences & new method of work. It helps in developing an atmosphere of trust and understanding.

9. Fair Remuneration

The method of remuneration to be paid to the workers should be fair, reasonable, satisfactory & rewarding of the efforts. Logical & appropriate wage rates and methods of their payment reduce tension & differences between workers & management creates harmonious relationship and pleasing atmosphere of work.

10. Stability of Tenure

According to Fayol. "Time is required for an employee to get used to a new work & succeed to doing it well but if he is removed before that he will not be able to render worthwhile services". As a result, the time, effort and money spent on training the worker will go waste.

11. Scalar Chain

Fayol defines scalar chain as 'The chain of superiors ranging from the ultimate authority to the lowest'. Every orders, instructions, messages, requests, explanation etc. has to pass through Scalar chain.



A **Gang Plank** is a temporary arrangement between two different points to facilitate quick & easy communication

12. Sub-Ordination of Individual Interest to General Interest

An organization is much bigger than the individual it constitutes therefore interest of the undertaking should prevail in all circumstances. As far as possible, reconciliation should be achieved between individual and group interests. But in case of conflict, individual must sacrifice for bigger interests.

13. Espirit De' Corps

It refers to team spirit i.e. harmony in the work groups and mutual understanding among the members. Fayol cautioned that, face to face communication should be developed. The managers should infuse team spirit & belongingness. There should be no place for misunderstanding. People then enjoy working in the organization & offer their best towards the organization.

14. Centralization & De-Centralization

- Centralization means concentration of authority at the top level. In other words, centralization is a situation in which top management retains most of the decision making authority.
- Decentralization means disposal of decision making authority to all the levels of the organization. In other words, sharing authority downwards is decentralization.



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**Thank
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