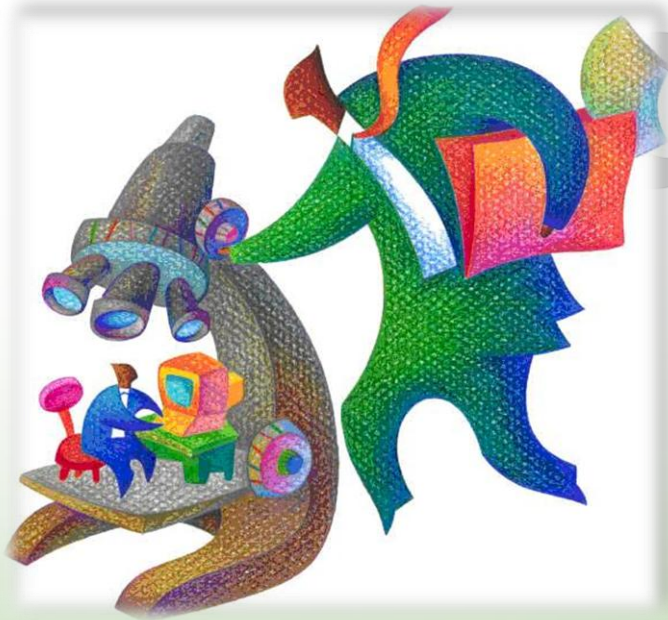


Principles of Management



Contents

- **What is management?**
- **Functions of Management**
- **14 Principles of Management**
- **Summary**

What is management?

- ❖ **Management is an art of getting things done through and with the people in formally organized groups.**



Functions of Management

- ✓ **Planning**
- ✓ **Organizing**
- ✓ **Staffing**
- ✓ **Directing**
- ✓ **Controlling**

Principles of management

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



There are 14 Principles of Management described by Henri Fayol

❖ These principles are derived: -

1. On the basis of observation and analysis i.e. practical experience of managers.
2. By conducting experimental studies.



1. Division of Labor

- ❖ Work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area.



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2. Authority & Responsibility

- ❖ Authority refers to the right of superiors to get exactness from their sub-ordinates.
- ❖ Responsibility means obligation for the performance of the job assigned.



3. Unity of Command

- ❖ A sub-ordinate should receive orders and be accountable to one and only one boss at a time.
- ❖ He should not receive instructions from more than one person



4. Unity of Direction

- ❖ People engaged in the same kind of business or same kind of activities must have the same objectives in a single plan.
- ❖ Without unity of direction, unity of action cannot be achieved.



5. Equity

- ❖ Equity means combination of fairness, kindness & justice.
- ❖ The employees should be treated with kindness & equity if devotion is expected of them.



6. Order

- ❖ This principle is concerned with proper & systematic arrangement of things and people.
- ❖ Arrangement of things is called material order and placement of people is called social order.



7. Discipline

- ❖ Discipline means sincerity, obedience, respect of authority & observance of rules and regulations of the enterprise.
- ❖ Subordinate should respect their superiors and obey their order.



8. Initiative

- ❖ Initiative means eagerness to initiate actions without being asked to do so.
- ❖ Management should provide opportunity to its employees to suggest ideas, experiences & new method of work.



IF YOU DON'T TAKE A CHANCE, YOU DON'T STAND A CHANCE.

9. Remuneration

- ❖ Remuneration to be paid to the workers should be fair, reasonable, satisfactory & rewarding of the efforts.
- ❖ It should accord satisfaction to both employer and the employees.



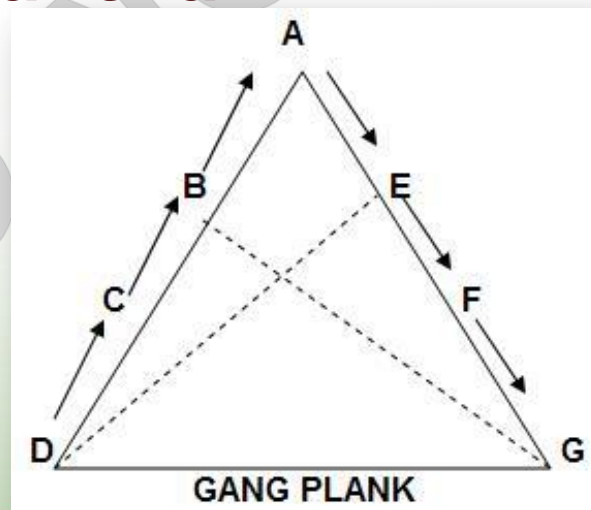
10. Stability of Tenure

- ❖ **Employees should not be moved frequently from one job position to another i.e. the period of service in a job should be fixed.**



11. Scalar Chain

- ❖ Scalar chain is the chain of superiors ranging from the ultimate authority to the lowest.
- ❖ Every orders, instructions etc. has to pass through Scalar chain.



12. Sub-Ordination of Individual Interest to common goal

- ❖ An organization is much bigger than the individual it constitutes therefore interest of the undertaking should prevail in all circumstances.



13. Espirit De' Corps

- ❖ It refers to team spirit i.e. harmony in the work groups and mutual understanding among the members.
- ❖ Espirit De' Corps inspires workers to work harder.



14. 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.**



- ❖ **The Principles of Management are the essential, underlying factors that form the foundations of successful management.**
- ❖ **These principles serve as guidelines for decisions and actions of managers.**

