Fundamentals Of Management

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Principles Of Management

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Two non-parallel lines will always intersect.

Henri Fayol - Father of Modern Management Theory, and introduces some general principles that can be applied to all the levels of management and any organization irrespective of its size or department. It helps in regulating the internal activities of an organization, because of which managers can accomplish their tasks efficiently and effectively.

1. Division of Work

Segregation of Work among the workforce will help in enhancing the quality of product/quality of work, which improves the productivity, efficiency, accuracy and speed of the workers. Useful for managerial and technical teams both.

2. Authority and Responsibility

Authority facilitates the management work efficiently.

Responsibility makes them responsible/accountable for work done under their supervision.

3. Discipline

This is related with employees' performance. Good performance and sensible behavior makes the management job easy as well as it helps the employees to build and progress in their professional careers..

4. Unity of Command

An employee should have only one boss. This avoids conflict of interest and confusion. He or she must follow his commands only.

5. Unity of Direction

All the people working in the company should have only one unified goal, which motivates them to achieve in the long run.

6. Subordinates of Individual Interest

This principle indicates that the employee should work towards the interest of the organization rather than their personal interest.

7. Remuneration

Fancy word for salary. May be monetary or non-monetary.

It should be made according to individual's efforts made for the organization.

8. Scalar Chain

According to Fayol, hierarchy steps should be followed from top to the lowest level of the organization.

It is very necessary so that every individual employee knows their immediate senior and subordinate, which help them to take necessary provisions for accountability and responsibility.

9. Order

A very fine work order to have a favourable work culture.

> Fayol said that there should be a place for everything and everyone. At the same time, everything and everyone should be in their own place. This means "right man in the right place". He believed that this kind of order "demands precise knowledge of human requirements and resources of the concern and a constant balance between these requirements". This balance is more difficult in bigger organizations.For proper order in each department, the departmental head should allot specific workstation and tools to each worker so that there is no confusion in the organization. Similarly there should be specific shelves or rooms for storing raw materials, finished goods, etc.

10. Equity

All employees should be treated equally and respectfully. It is the responsibility of the manager to do this, so no employee faces discrimination.

11. Stability

An employee delivers their best when they feel that their job is secure. It is the duty of the management to provide job security to their employees.

12. Initiative

Management should encourage and support their employees so they can take initiatives in the organization, which will help them to increase their morale and interest.

13. Centralization

In any company, the management or any authority responsible for decision making should be neutral. It depends upon the level of segregation/delegation it deploys for the working of organization.

14. Espirit de Corps

It is the responsibility of the management to motivate their employees and be supportive to each other regularly.

Functions of Management

It is a dynamic process consisting of various elements and sub-elements, where the activities performed are different from operative functions.

Operative functions - tasks such as marketing, finance, purchasing.

Various experts classify the functions of management differently, according to their expertise.

The most widely accepted functions of management are given by Koontz and O'Donnel.

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Controlling

Planning

This involves, deciding in advance:

- what to do
- how to do
- for whom to do.

Plan is the future course of action.

Planing is an exercise in problem solving and decision making. It is important so that particular courses of action will be determined to achieve desired goals.

Planning is necessary for proper and effective utilization of human as well as non-human resources.

Organizing

It is the process of bringing together physical, financial and human resources and also developing productive relationships among them.

To organize means to determine and provide necessary (human and non-human) resources to the organization structure.

It involves

- Identification of activities.
- Classification/Grouping of activities.
- Etc.

Staffing

The purpose of staffing is to put the right men/women on the right job, according to their compatibility.

Managerial function of staffing:

- Estimation of manpower required.
- Recruitment and Selection
- Placement
- Training and Development
- Remuneration
- Performance Appraisal
- Promotion

Directing

Directing is the interpersonal aspect of management, which deals directly with

- influencing

- guiding
- supervising
- motivating

the subordinates, for the achievement of organizational goals.

Directing has 4 imp elements:

1. Supervision Overseeing the work of your subordinates
2. Communication Process of passing information, experience and opinion from one person to another fot the betterment of the company.
3. Leadership It is also defined as the process by which management guides and influences the work of their subordinates.
4. Motivation to encourage and inspire your subordinates

Controlling

Measurement of accomplishment against predetermined standards.

Steps:

- Estimation of Standard Performances
- Measure actual performance
- Comparison of actual and standard, to find deviation.
- Corrective action to achieve predetermined standards.