



Principles of Management



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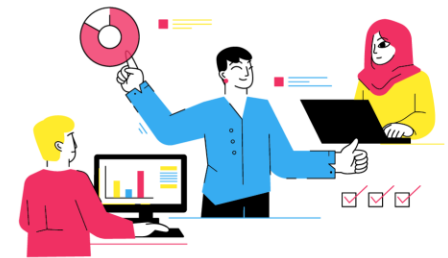
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01 Introduction

Principles of Management are certain guidelines that help managers to run business smoothly and efficiently using managerial principles. These guidelines or fundamental principles are advocated by famous thinkers such as Henry Fayol, Frederick Winslow Taylor and Mooney etc. These basic activities give operations of management an order and productivity.



Definition by different Authors



To manage is “to forecast and plan, to organize, to command, to coordinate, and to control.”

– **Henry Fayol**

Management is the art of getting things done through the other peoples”.

– **Mary Parker Follett**

Meaning 02



Principles of Management are fundamental truths that serve as guidelines in managerial decision making and help in attainment of objectives. Principles of Management are either derived through observation or through experiments that conclude the cause and effect relationship.



Derivation of Principles of Management

Observation Method

Under this method, managers observe certain events in practice and analyse to get the experience for the future.

Experimental Method

Under this method, the researchers conduct empirical studies to test and define the principles and guidelines for future use.



- **Universal Application**

- Applicable in different organisations at different places.

- **Based on Situation**

- Applications depends upon the demand at moment

- **Cause and effect relationship**

- Effect of certain decisions can be predicted on the basis of actions

Features and Nature of Principles of Management

- **Relative**

- Not absolute in nature.Requires different principles for different set of organisation

- **Flexibility**

- Can be modified with change in environment

- **General Statements**

- Derived out of experience and analysis as it deals with human beings.

Importance of Management Principles

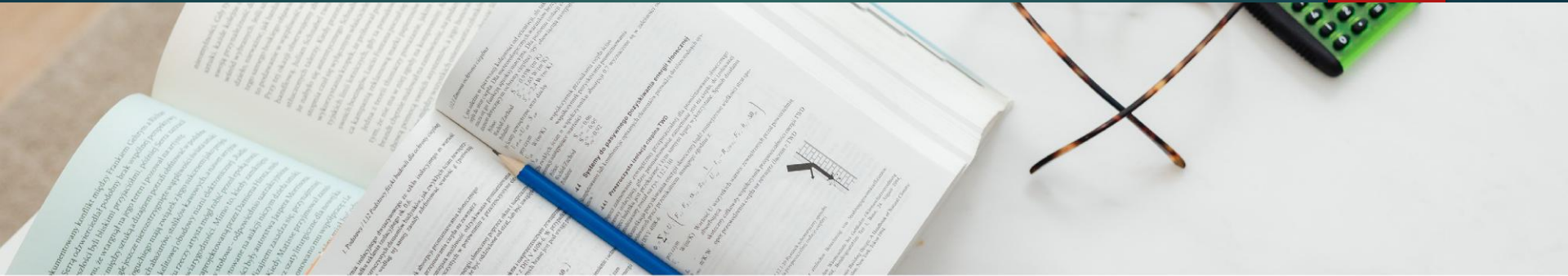


- Increases Managerial Efficiency
- Optimum Utilisation of Resources
- Adjusting to changing environment
- Effective Administration
- Fulfilling Social Responsibilities
- Proper Decision Making

Who is Henry Fayol?

Henry Fayol, a French mining engineer and one of the pioneers of modern management theory, made significant contributions to the field of management in the early 20th century. Fayol's journey into management began in the mining industry, where he started as an engineer but soon rose through the ranks to become the managing director of a large mining company. His experience in managing complex operations and personnel led him to develop a systematic approach to management, which laid the foundation for his enduring legacy in the world of management theory.





Introduction to 14 Principles of Management

One of Henry Fayol's most enduring contributions to management theory is his set of 14 principles of management. These principles serve as a framework for effective management and have been widely adopted and adapted by organizations worldwide. Fayol's principles are designed to guide managers in their decision-making and organizational practices. They provide a comprehensive and systematic approach to managing an organization, covering areas such as delegation, unity of command, and esprit de corps. Fayol's principles continue to be relevant in the contemporary business landscape, underlining their timeless significance in the field of management.

Employees must be fairly compensated for their work.

Fair Remuneration to workers

Each group of activities having the same objective should be directed by a single plan. This ensures that all efforts are focused towards the same aim.

Unity of Direction

An employee should receive orders from only one superior to ensure clarity in communication and accountability.

Unity of Command

Employees must obey and respect their superiors. Discipline is essential to maintaining the smooth operation of the enterprise.

Discipline

14 Principles of Management

Division of Work / Specialisation

The work should be divided among individuals so that it can be fully concentrated. It allows workers to specialize and attain the highest degree of efficiency in their work.

Parity between Authority & Responsibility

Authority is the right to give orders and the power to exact obedience, while responsibility is the obligation to perform duties.

Subordination of Individual Interest

The interests of one employee or group of employees should not take precedence over the interests and goals of the organization as a whole.

While its dispersal among many levels is called decentralisation.

Fayol suggests that an appropriate balance should be maintained between centralisation and decentralisation.

Effective Centralisation

The systematic, orderly and proper arrangement of people, places and things.

Order

The management should strive to create unity, morale, and co-operation among the employees.

Espirit de corps

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

Equity

14 Principles of Management

Stability of Tenure

An organization should work to minimize staff turnover and maximize efficiency. Any new employee cannot be expected to get used to the culture of an organization right away.

Initiative

All employees should be encouraged to show initiative. When employees have a say as to how best they can do their job, they feel motivated and respected.

Scalar Chain

A management principle predicated on establishing an unbroken line of authority from the highest levels of management on down. In this model, the person at each management level communicates with only those directly above and below them.



Implications of 14 Principles of Management

The 14 Principles of Management by Henri Fayol provide a comprehensive set of guidelines for effective management practices. They emphasize the importance of organization, coordination, discipline, and fairness in achieving organizational goals and success. These principles continue to be influential in modern management theory and practice.

Scientific Management

Scientific management is a theory of management that analyzes and synthesizes workflows. Its main objective is to improve economic efficiency, especially labor productivity.

Fredric Winslow Taylor: Father of scientific management. He was an American mechanical engineer who sought to improve industrial efficiency. His famous book, "The Principles of Scientific Management," details his methods and theories.



Backdrop to the theory of Scientific Management

- Taylor's approach to management, known as scientific management, was based on the application of scientific methods to analyze and improve work processes. He believed that work could be optimized through careful measurement, analysis, and the standardization of tasks.
- Taylor conducted extensive time and motion studies to break down work tasks into their smallest components. He used a stopwatch to measure how long it took workers to perform each task, seeking the most efficient way to complete the work.



Backdrop to the theory of Scientific Management



- Scientific management aimed to maximize efficiency at all levels of the organization, from individual workers to management. Taylor believed that by optimizing work processes, organizations could achieve higher productivity and profitability.
- Taylor's ideas had a significant impact on the field of management and manufacturing. His principles were widely adopted in industries around the world and laid the foundation for modern management practices.

Features & Objectives of Scientific Management



- **Allowing Incentives**
- **Cost Reduction**
- **Elimination of Wastes**
- **Right Placements**
- **Strict Observance of Rules**
- **Proper training of workers**
- **Mental Change**
- **Systematic Approach**
- **Increased Production**



Principles of Scientific Management

01 Science, not rule of thumb.

This rule focuses on increasing the efficiency of an organisation through scientific analysis of work and not with the 'Rule of Thumb' method.

02 Harmony, not discord

Taylor indicated and believed that the relationship between the workers and management should be cordial and completely harmonious.

03 Cooperation, not Individualism

It believes in mutual collaboration between workers and the management. Managers and workers should have mutual cooperation and confidence and a sense of goodwill.

04 Development of Workers

The effectiveness of a company also relies on the abilities and skills of its employees. Thus, implementing training, learning best practices and technology, is the scientific approach to brush up the employee skill.

05 Separation of Planning and Execution

The philosopher suggests that planning and execution should be different activities and workers should spend their time planning rather should execute the given task.

Techniques of Scientific Management



Differential Piece Wage System

Standardisation & simplification of work

Time Study

Fatigue Study

Method Study

Functional Foremanship

Motion Study

Mental Revolution

Frederick Taylor, a pioneer in the field of scientific management, proposed the concept of a "mental revolution" as a crucial component of his management philosophy. The idea behind the mental revolution is to transform the traditional mindset of both workers and managers in an organization.

Workers' Perspective: Taylor believed that workers should undergo a mental shift in their attitude towards work. Instead of seeing themselves as solely responsible for their tasks and methods, they should embrace a more cooperative mindset. Workers should be open to adopting new, scientifically determined methods and trust that these methods will improve efficiency and working

Managers' Perspective: Similarly, managers should undergo a mental revolution by changing their role from "bosses" to "coaches." They should take on the responsibility of providing workers with the necessary training and tools to perform their tasks efficiently. Managers should also trust the scientific methods and data rather than relying solely on their judgment.

Taylor VS Fayol

Henry Fayol

Administrative management based on authority

General principles based on observation and experience

Management should be performed at the top of the organization

Management should be universal and applicable to all industries

All employees should be motivated with good leadership

Managerial tasks include planning, organizing, commanding, coordinating, and controlling

Frederick Taylorl

Scientific management based on individual

Specific laws based on experiments

Management must be separated from the workforce

Management is specific to each industry and organization

Employees should be motivated by high wages

Managerial tasks include analysis, synthesis, and measurement of work processes



The Universality of Management Principles

01 Principles are widely accepted

The principles of management are universally applicable and can be applied to any organization or situation.

02 Principles are flexible and adaptive

They are open to interpretation and can be adapted to specific situations and contextual factors.

03 Principles are constantly evolving

New theories and technologies in management are constantly emerging, causing the principles to evolve and adapt over time.

Conclusion

In conclusion, the study of the principles of management, as elucidated by pioneers like Henri Fayol and Frederick Taylor, has provided us with a solid foundation for understanding the fundamental aspects of effective organizational leadership. Fayol's principles emphasized the importance of administrative functions and unity of command, while Taylor's scientific management approach underscored the significance of efficiency and standardization. These timeless theories continue to guide modern management practices, reminding us that a harmonious blend of administrative acumen and operational precision is key to achieving success in today's dynamic business landscape.