

PRINCIPLES OF MANAGEMENT

Meaning of management principles:

Management principles are broad and generic rules for managers' decision-making and conduct.

Derivation of management principles: The principles are obtained as follows.

1. Observation
2. Experiment.

Nature of Management Principles: The primary characteristics of principles are:

1. Universal Applicability: Principles may be applied to any type of organization, regardless of size or nature.
2. General Guidelines: They do not give prepared straitjacket solutions, which must be altered to meet the needs of the circumstance.
3. Developed via Practice and Experimentation: They are evolutionary in nature.
4. Flexible: They are not rigid and may be updated to reflect changes in the business environment.
5. Primarily Behavioural: They seek to influence human conduct because all work is done by humans.
6. Cause and Effect Relationships: They aim to build a cause and effect link.
7. Contingent: Their applicability is determined by the current situations.

Management principles are significant for the following reasons:

1. Offering managers important insights into reality.
2. Best use of resources and efficient management
3. Scientific Decisions
4. Meeting increasing environmental standards
5. Meeting societal responsibilities
6. Management training, education, and research.

Fayol's Management Principles: Fayol created fourteen key principles, which include:

1. **Work Division:** Break down the whole workload into smaller tasks and assign them to separate people.
2. Maintain a balance of power and responsibility.
3. **Discipline:** Obeying the organization's norms and regulations.
4. **Unity of Command:** Orders are issued by a single superior.
5. **Directional Unity:** Everyone's efforts should be directed toward the same goals under one strategy.
6. **Subordination of Individual Interest to General Interest:** The interests of the organisation must take precedence over individual interests.
7. **Employee Remuneration:** Pay should be fair to both employees and the company.
8. **Centralisation and Decentralisation:** An appropriate blend of centralisation and decentralisation.
9. **Scalar Chain:** The organisation will follow a chain of command and communication.
10. **Organization:** There should be a place for everything and everyone.

11. Equity: Fair treatment of employees.
12. Personnel Stability: Make all reasonable steps to ensure personnel stability and continuity.
13. Initiative: Encourage employees to develop and carry out plans.
14. Espirit de Corps: Take measures to instill a sense of belonging and team spirit among your staff.

Taylor's Scientific Management follows four principles:

1. Science, not Rule of Thumb: Conduct scientific research and analysis of each aspect of the task rather than using the hit and trial technique.
2. Harmony, Not Discord: Promote harmony between management and employees to achieve organizational goals.
3. Cooperation, Not individuality: Instead of individuality, promote cooperation between management and employees.
4. Worker development for maximum efficiency and success: Increase worker efficiency and prosperity.

Techniques for Scientific Management:

1. Functional Foremanship: Each employee should be overseen by eight specialists.
2. Work standardisation and simplification: Standardisation entails establishing norms for all company processes. Simplification is the elimination of needless product variety.
3. Method Analysis: Identifying the optimal technique to complete a project.
4. Motion Study: Analyzing numerous motions used to complete a task in order to identify and remove extraneous movements.
5. Time Study: Determine the typical time required to complete a well-defined work.
6. Fatigue Study: Determine the quantity and frequency of rest periods necessary to complete a job.
7. Differential piece wage system: Efficient and inefficient workers are compensated at varying rates.