

# **Principle of Management**

Management is essential to any organization that wishes to be efficient and achieve its aims. Without someone in a position of authority there would be organizational anarchy with no structure and very little, if any focus. It has been said that management has four basic functions – planning, organizing, leading and controlling. Common sense dictates that without these principles of management being in place an organization would have trouble achieving its aims, or even coming up with aims in the first place! A classic theory on the principles of management was written by Henri Fayol. It seeks to divide management into 14 principles. We'll take a look at these basic principles of management and explain them in easy to understand terminology.

## **Principles of Management – Fayol's 14 Principles**

- **Division of Work** – This principle of management is based on the theory that if workers are given a specialized task to do, they will become skillful and more efficient in it than if they had a broader range of tasks. Therefore, a process where everyone has a specialized role will be an efficient one.
- **Authority** – This principle looks at the concept of managerial authority. It looks at how authority is necessary in order to ensure that managerial commands are carried out. If managers did not have authority then they would lack the ability to get work carried out. Managers should use their authority responsibly and ethically.
- **Discipline** – This principle relates to the fact that discipline is needed within an organization for it to run effectively. Organizational rules, philosophies, and structures need to be met. In order to have disciplined workers, managers must build a culture of mutual respect and motivation.
- **Unity of command** – There should be a clear chain of command in place within an organization. An employee should know exactly whose instructions to follow.
- **Unity of direction** – Work should be organized in a way that means employees are working in harmony toward a shared objective or goal using a shared method or procedure.
- **Subordination individual interests to the collective interests** – The interests of the organization as a whole should take precedence over the interests of any individual employee or group of employees. This encourages a team spirit and collective mentality of all for one and one for all.
- **Remuneration** – In order to motivate and be fair to employees, they should be paid a reasonable rate for the work they carry out. An organization that underpays will struggle to attract quality workers who are motivated.
- **Centralization** – This principle relates to whether decisions should be made centrally, as in from the top down, or in a more democratic way, from the bottom up. Different decision making processes are appropriate for different types of decisions.

Scalar chain – This relates to the principle of a clear chain of communication existing between employees and superiors. The chain should be respected, unless speedy communication is vital, in which case the chain may be bypassed if all parties consent.

- Order – This relates to the proper use of resources and their effective deployment in a structured fashion.
- Equity – Managers should behave ethically towards those they manage. Almost every organization in the modern world will have a written set of policies and procedures which will outline exactly what is expected from staff at all levels.
- Stability of tenure of personnel – It is seen as desirable within an organization to have a low staff turnover rate. This is due to the benefits that come with having experienced staff and the time and expense needed to train new ones. There should be a clear and efficient method of filling any staff vacancies that arise.
- Initiative – Employees that have an input as to how to best do their job are likely to feel more motivated and respected. Many organizations place a great deal of emphasis on listening to the concerns of staff.
- Morale – Keeping a high level of morale and team spirit is an essential part of having the most productive organization possible. Happy and motivated employees are far more likely to be productive and less absent.

## **Principles of Management – The Importance of the Principles**

Having a clear management structure in place is vital for any successful organization. Efficient and well intentioned management sets the tone for the rest of the staff. It is common for the attitude approach of managers to filter through the entire organization, so having managers working in an exemplary way is an excellent example for employees to follow.