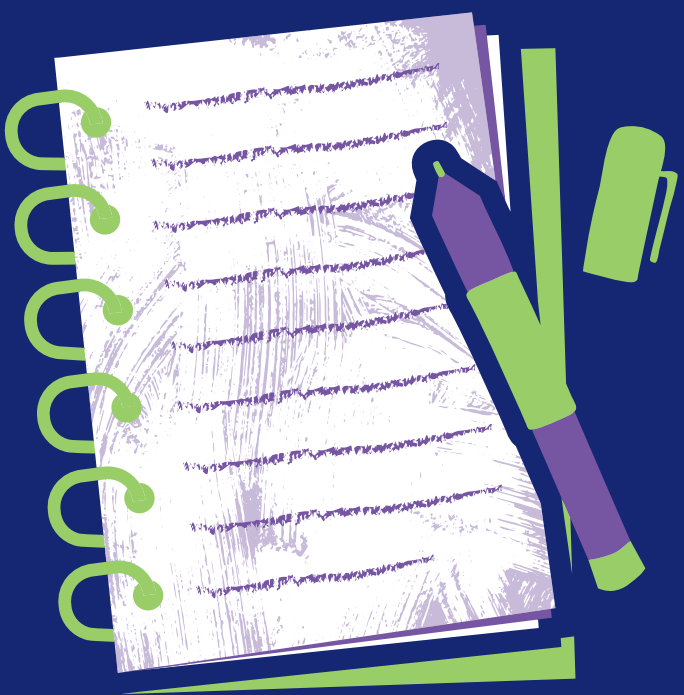


# PRINCIPLES OF MANAGEMENT

## Contents as per **CBSE** Syllabus

- **Fayol's Principles of Management,**
- **Taylor's Scientific Management-  
Principles and Techniques,**
- **Principles of Management-  
Concept and Significance.**



# Fayol's Principles

- Henri Fayol (1841-1925),
- Father of General management,
- French Management Theory,
- Mining Engineering by Profession,
- 14 Principles of Fayol.



# Fayol's Principles

1

## Division of Work

- Works is Divided into **small tasks**,
- Leads to **Specialisation**,
- Applicable to all **Activities**.

Technical

Managerial



## Discipline

3

- Obedience to organisation's **Rules & Regulations**,
- **Clear and fair** Agreement,
- Meeting of **Commitments** by **Subordinate** as well as **Superiors**.



2

## Authority & Responsibility

- Authority- **Right to give order & Obtain Obedience**,
- Responsibility- **Obligation to complete the job assigned on time**,
- **Authority=Responsibility**.



## Unity of Command

4

- Receive **order** only form **One Superior**,
- More than one Boss **Confuse** the **Subordinates**,
- **Dual Subordination** should be **Avoided**.



Employee >>> One Boss

# Fayol's Principles

5

## Unity of Direction

- One Unit One Plan,
- Unification of efforts towards one direction,
- Prevents from 'Over Lapping of Work'.



6

## Subordination of Individual interest to General interest

- Try to Achieve Personal goal with Organisational Goal,



- Company - Output 
- Employees - Salary 

7

## Remuneration of Employees

- Pay Fair & Adequate Wages & Salary,
- Fair Wages Gives reasonable Standard of Living,
- Sharing of Gains with Employees,
- Pay as per Financial capacity of your Firm.



8

## Centralisation & Decentralisation

- Centralisation- Concentration of Authority or Power in few hands at the Top level,
- Decentralisation- Distribution of Power in Every level of Management.

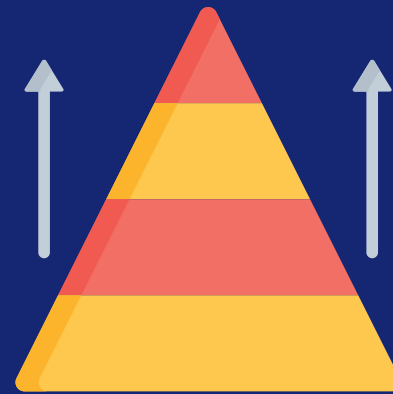


# Fayol's Principles

9

## Scalar Chain

- **Formal Line of Authority from Highest to Lowest,**
- **Chain- Authority & Communication (Top to Bottom)**
- **In Emergency- Gang Plank (Workers to C.E.O)**



## Equity

11



- **Kindliness + Justice in the Behaviour of Workers,**
- **Same Policies & Rules For all the Employees,**
- **Lazy Personnel Should be Deal Strictly.**

10

## Order

- **Fixed & Right Place for Every Man & Material [ORDERLINESS]**
- **Prevent from Wastage of Time in Search of a Person & Material.**



## Stability of Personnel

12



- **Employees Turnover should be Minimized,**
- **Giving Minimum time to Employees to Settle Down,**
- **Providing job Securities.**

# Fayol's Principles

## 13

### Initiative



- **Keep Motivation, Spirit of Employees high,**
- **Encouraging Employees to Give Suggestions,**
- **Not Against Company Established Practice.**

## 14

### Esprit De Corps



- **Team Spirit of Unity + Harmony among Employees,**
- **Mutual Trust & Belongingness,**
- **Minimise the need for using Penalties.**

"I" >>> "WE"





# SCIENTIFIC PRINCIPLES - TAYLOR

(Father of Scientific Management - Taylor)

## SCIENCE, NOT RULE OF THUMB

- **Best Method to Maximize Efficiency,**
- **Use of Science for each & every element of management,**
- **Take every Decision Scientifically.**

Rule of Thumb



Hit & Trial Method

## HARMONY, NOT DISCORD

- **Complete Harmony between Management & Workers,**
- **Management should Share Gain with Workers,**
- **Prosperity of both is equal important.**



CODE OF CONDUCT

## COOPERATION NOT INDIVIDUALISM

- **Work as a Team Not Individually,**
- **Extension of Harmony not Discord,**
- **Welcome Suggestion of Employees,**
- **Reward Employees for their Suggestion,**
- **Equal Division of Work.**



## DEVELOPMENT OF WORKERS TO THEIR GREATEST EFFICIENCY & PROSPERITY

- **Workers Training is Essential,**
- **Each person should be Scientifically Selected,**
- **Work assigned to Workers should Suit his/her Capabilities.**



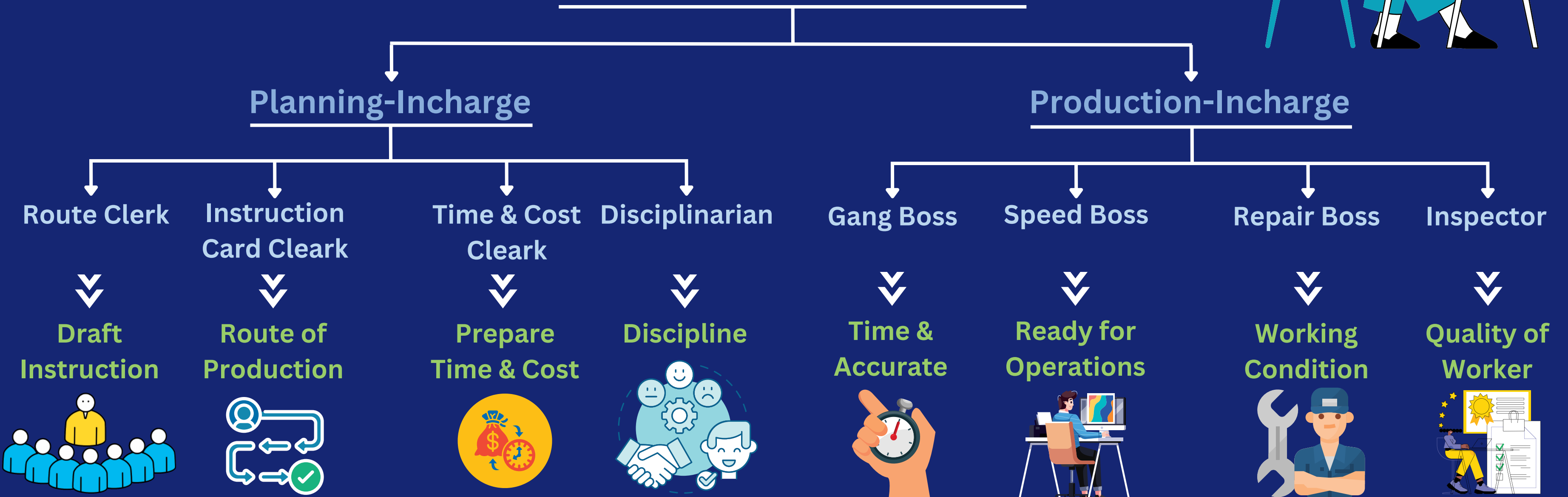
# SCIENTIFIC TECHNIQUES

## 1. Functional Foremanship:

- Foremanship means **Face to Face Contact with Workers,**
- Appointment of **Specialised Persons,**
- Separation of **Planning & Execution Function.**



## 8 Functional Experts are:





## 2. Standardisation & Simplification of Work :

- Bring **Uniformity**,
- Allows **Interchangeability**,
- Setting Quality **Standard**,
- **Elimination** of unnecessary changes of **Products, Size & Types**.



## 3. Work Study :

- Ensures **Maximum Production at Minimum Cost**,
- Getting **best Contribution** from **every Factor**.
- It includes :



### i). Method Study:

- Find the **Best way of Doing a Job**,
- Selection of method which **Minimises the Cost & Maximises the Quality**.



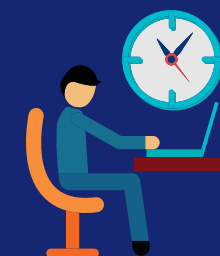
### ii). Motion Study:

- Study of **Movement of Workers**,
- Focus on **Productive Movements**,
- **Eliminate Unproductive Movements**.



### iii). Time Study:

- **Standard Time** taken to Perform a Job,
- Set **Standard Target** for Workers,
- Determine numbers of Workers to be **Employed**.



### iv). Fatigue Study:

- Set **Rest Intervals**,
- Set **number, Frequency & Duration** of Rest Intervals.



#### 4. Differential Piece Wage System :

- **Strongest Motivator** for Workers,
- Differentiate between **Efficient & inefficient Workers**,
- **Reward the Efficient Workers.**



#### 5. Mental Revolution :

- Change in **Attitude** of **Workers & Managers** For Each other,
- **Co-operation** between Workers & Management.



# FEATURES OF PRINCIPLE OF MANAGEMENT



## Universal Applicable



- Applicable in **Business/Non Business, Small/Large** ,i.e., **All Organisation.**

## Contingent



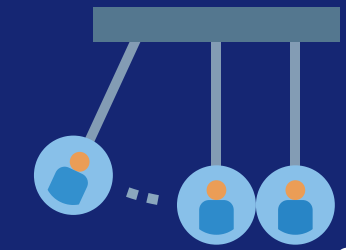
- Application of Principle **varies from Situation to Situation.**

## General Guidelines



- **Only Guide,**
- **Do not provide Readymade Solution.**

## Cause & Effect Relationship



- Intended to **establish relationship b/w Cause & Effect,**
- **Mainly apply to Human Behaviour.**

## Formed by Practice & Experiments



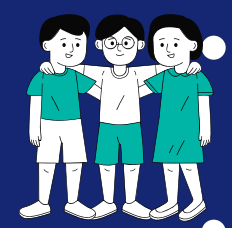
- Formed by **Experience & Collective wisdom** of **Manager.**

## Flexible



- Can be **Changed & Modified,**
- **Not Rigid Prescription.**

## Mainly Behavioural



- **Influencing behaviour** of human,
- **Applies on Employees to Motivate** them.

# SIGNIFICANCE OF PRINCIPLES OF MANAGEMENT

## Providing managers with useful insight into Reality

- Improving **intelligence level** of manager,
- Enable managers to **learn from past mistake**.

## Scientific Decision

- **Facts, thoughtful & Justifiable**,
- Emphasis **logic** rather than blind faith,
- Develop **logic, Cause & Effect**.



## Fulfilling Social Responsibility

- Doing task to **Uplift Society**,
- **Increase Awareness** of public, **Forces** business to **full fill** their **Social Responsibilities**.

## Meeting Changing environment Requirement

- Help in **Bringing Changes**,
- Principles are **Flexible** to **adopt Dynamic Business Environment**.

## Optimum Utilisation of Resources

- Give **Maximum Benefit** with **Minimum cost**,
- Both **human & material** resources are **limited**, should be put to **Maximum use**.

