

The 14 principles of management

Business



It is not easy to manage a diverse team of employees. There are certain factors managers need to keep in mind when handling operations of an organization.

Managers who were leading the way in the early 1900s had very little external resources to use and develop their management practices. Theorist Henri Fayol recognized this gap and built what is now the foundation of modern management theory.

When he published “ 14 principles” in 1914 in the book called “ Administration Industrielle et Generale,” managers started to get the tools they needed to lead. The management process became more effective. He also created a list of the 6 primary functions of management. The functions go hand-in-hand with the Principles.

Fayol’s practical list of principles guided early 20th-century managers to efficiently organize and interact with employees. The 14 Principles of Management had a significant influence on present management theory.

The list of principles is among the earliest theories of management and it is still one of the most comprehensive one. Even though there are many more concepts and theories now, Fayol is considered to be one of the most influential contributors to the modern management concept.

Fayol’s principles are listed below:

- Division of Work

Managers should divide work among individuals and groups. This ensures that effort and attention will be focused on special portions of the work.

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Output can increase if employees are specialized. This is because they become increasingly skilled and efficient in their fields.

- Authority

Fayol defined authority as “ the right to give orders and the power to exact obedience.” The managers should have the power to give orders. But they should also remember that with authority comes responsibility.

- Discipline

It is essential to maintain discipline. However, the methods for doing this can vary. Successful company will need the common effort of workers. You can apply penalties to inspire this common effort.

- Unity of Command

It is best if employees have only one direct supervisor.

- Unity of Direction

Teams, which have the same goal, should work under one manager’s direction. They should use one plan. This will guarantee that the action is coordinated properly. Unity of direction means the entire firm will move in the same direction.

- Subordination of Individual Interests to the General Interest

The interests of any one employee should never be given more importance than the interest of the group. Even the manager’s interest comes after the group.

- Remuneration

Fair remuneration should be given to everyone. This ensures employee satisfaction. Remuneration includes both financial and non-financial compensation. There are many variables which should be considered before deciding a worker's rate of pay. Some of the variables are:

- Cost of living
- Supply of qualified personnel
- General business conditions
- Success of the business
- Centralization

Centralization refers to how involved employees are in the decision-making process. Managers should aim for a suitable balance. Fayol defined this as “lowering the importance of the subordinate role.” Decentralization means to increase the importance. The degree of centralization or decentralization a firm should adopt depends on the specific organization.

- Scalar Chain

Employees should know their position in the organization's hierarchy. Where they stand in the chain of command is critical. Managers in hierarchies belong to a chain like authority scale. Each manager has a certain amount of authority. The President has the highest authority. The first-line supervisor has the least authority. It is important for lower level managers to inform upper-level managers about their work activities. The existence of a scalar chain is essential. It is necessary to adhere to it.

- Order

The workplace should be clean and safe for all employees. Everything should be in its place. All the people related to a specific type of work should be treated as equally as possible. This is good for efficiency and coordination.

- Equity

Managers must always be fair to staff. They are expected to maintain discipline when needed and act with kindness when it seems right.

- Stability of Tenure of Personnel

Managers must make an effort to reduce employee turnover. They should give priority to Personnel planning. Recruitment and Selection Costs are usually related to hiring new workers. Increased product reject rates also cost a lot. Retaining productive employees should be a high priority of management.

- Initiative

Employees should have the necessary level of freedom they need to make and conduct plans. Management should encourage worker initiative. New or extra work activity undertaken through self-direction is an example.

- Esprit de Corps

Organizations should always attempt to promote team spirit and unity. Management should inspire harmony and general good feelings among the workers.

Fayol's 6 Functions of Management

Fayol also introduced 6 primary functions of management, which complement the Principles. The functions are:

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- Forecasting
- Planning
- Organizing
- Commanding
- Coordinating
- Controlling

The functions of management have been discussed in details below:

- FORECASTING

This involves examining the future and then making a plan of action.

- PLANNING

This function is about making plans of actions. It is the most crucial part of the management. It requires active participation of the entire organization. Planning should be coordinated on different levels.

- ORGANISING

This entails providing capital, personnel and raw materials for running the business. You will also have to build a structure to match the work. Organizational structure depends on the size of the workforce.

- COMMANDING

This is about optimizing return from all employees. A good manager would communicate clearly and base his judgments on regular audits. Clear knowledge of personnel helps creates unity and loyalty. It reduces incompetence.

- COORDINATING

This function means to unify and harmonize activities and efforts. It helps maintain the balance between the activities of the organization as in sales to production and procurement to production. Fayol suggested that weekly conferences for department heads will solve problems.

- CONTROLLING

This is about monitoring organizational progress towards goal attainment.

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