

ROLE OF GENERAL AND SCIENTIFIC PRINCIPLES IN BUSINESS MANAGEMENT

Dr. Sarabjeet Kaur (Department of Commerce)
Archana Gupta (Principal)
Vinod Dhand (Chairman)
S.D.Model School
Mandi Gobindgarh (Punjab)

Abstract: The article reviewed Henri Fayol's 14 principles & F.W.Taylor's 5 principles of scientific management namely division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interest to general interest, remuneration of personnel, centralisation, scalar chain, order, equity, stability of tenure of personnel, initiative and esprit de corps, thumb method, harmony not discard etc. The article presented the importance of the principles of management. It was highlighted that the principles of management have distinctive features or characteristics which a manager should take note of when applying the principles in a variety of situations. It was clear that most of the principles of management are relevant today and in future organisations. Although the principles of management may need adaptation in certain situations they remain the foundation of management theory and practice.

Keywords: Need & importance, General & Scientific principles

INTRODUCTION

Management, as we all know, is a discipline. It is in fact a complicated and very important discipline with multiple facets and huge scope. All fields of study, in one way or the other are governed and bound by a certain set of principles. Management is no different, and has principles that are unique to it. These principles play a key role in making the complicated process and discipline of management clear and practical and helps in ensuring its efficiency. Thus importance attached to Principles of Management is immense and it is essential to have a thorough understanding of these principles, their importance, features and objectives. A managerial principle is a broad and general guideline that regulates decision making and behavior within a group or organisation. These principles of extensively deals with human behavior, thought and actions which never remains static and thus are not as rigid as the principles that govern science or other disciplines. These principles are guidelines that are used when applying the techniques of management. Techniques are those methods and procedures involved in the process of management whereas principles are checks upon these techniques. They are general propositions formulated over years of research in work related situations and environments and are applicable when certain qualifying conditions are present. These principles have been developed through observation and experimentation as well as through personal experiences of many managers. These guidelines denote and establish a cause and effect relationship and helps in the efficient discharge of functions.

Management is a distinct process consisting of planning, organising, actuating, and controlling performed to determine and accomplish the objectives by the use of people and resources – **George R. Terry**

Management is principally the task of planning, coordinating, motivating and controlling the efforts of others towards a specific objective – **James L. Lundy**

Why are principles of management needed?

Principles of management are important in many ways. G.R. Terry has this to say pertaining to the principles of management "Principles of management are to a manager as a table of strength of materials is to a civil engineer." According to the principles of management are important and useful for the following reasons:

- ❖ **To increase managerial efficiency.** Principles of management provide guidelines to managers as to how they should function in different situations. This enables better functioning of the organisation which in turn increases managerial efficiency.
- ❖ **To understand the nature of management.** Knowledge of the principles of management aids in analysing the manager's job and scope of his or her duties.
- ❖ **To train managers.** The importance and usefulness of the principles of management is aptly captured in Henri Fayol's words "Management principles are necessary to train and educate future managers." This means that without this organised body of knowledge, it would not be possible to train people for managerial positions.
- ❖ **To improve research.** The principles of management are useful in that they increase knowledge through research. Research generates new ideas for an organisation.
- ❖ **To coordinate material and human resources.** Coordination of material and human resources to achieve set objectives is made possible through the use of principles of management. Moreover, the principles of management are useful in optimising the utilisation of natural resources.

- ❖ **To attain social objectives.** Management is part of society since it takes input from the society and gives output to society. Principles of management are thus, important in that they help an organisation to accomplish social goals by the efficient utilisation of the scarce resource

FEATURES OF MANAGEMENT PRINCIPLES

- ❖ **Universality of Application:** The principles of management are universally applicable. These principles are applied to all kinds of organisations around the world from governments to businesses and non-profit units regardless of their size or scale. An instance to understand this is the extent of decentralization in an organisation. Certain types of businesses may require a high degree of centralization with the requirement of concentration of decision making and certain business may require less scale of centralization, this varied application of scale however does not take away the application of the principle of decentralization.
- ❖ **General Guidelines:** Management principles are naught but general guidelines or propositions and are not issue specific. That is, these guidelines are not ready made for different business situations and must be used using diligence and intellect after understanding the situation. These principles such as for instance, "*Firm before Department*" might help in easy resolution of business problems. The principle now quoted can resolve an inter departmental conflict by reminding the department heads that, the department is secondary to the firm.
- ❖ **Result of Observation and Experimentation:** Management principles were not formulated overnight and are a result of continuous observation and experimentation carried out in a work place by skilled managers over many years. The principle of division of labor was formulated seeing the efficiency it brought about through specialization and accountability. In a like manner, all principles are developed over a course of time.
- ❖ **Flexibility:** The principles of management are not rigid or concrete. Their application differs from situation to situation. For instance, the principle of division of labor may not be applicable when the work to be done is indivisible and forms a concrete whole. These principles are applied by the managers after giving due regard to the conditions of their applicability.
- ❖ **Behavioral in Nature: Most** of the principles of management revolves around the behavior of humans and aims at influencing this behavior. This principle tries to bring about a better understanding of the relation between humans and material resources in accomplishing organisational goals.
- ❖ **Establishes Cause and Effect Relationship: This** is an important feature of the principles of management. These principles are intended to establish a relationship between what causes something such as an event or action and the effect of that event or action on something else. The importance of establishing this is because many situations can be so understood on the basis of the understanding of the effect. For instance, division of labor causes specialization which creates the effect of efficiency. So such an understanding entails that if division of labor is applied to divisible work efficiency can be achieved.
- ❖ **Contingent:** The principles of management are contingent on a applicable situation prevailing or existing for its application. The application of these principles thus change according to changing conditions, and a new principle may be applied in the place of an existing one when the conditions changes.

IMPORTANCE OF MANAGEMENT PRINCIPLES

- ❖ **Provides insights:** Management principles play a key role in providing insights to facilitate efficient decision making. These principles add to their knowledge and ability to deal with various situations and also help in handling recurring contemplated problems. Thus it plays a role in increasing managerial efficiency.
- ❖ **Optimal Utilization of Resources:** Resources are the life blood of a business. Its optimal usage is a sine qua non for the success of a business. Management principles help in ensuring optimal usage by laying down broad frameworks on how to use these resources and how not to. This when applied in proper situations can make for efficient resource decisions. These principles are also applicable to resource collection or organisation, so as to prevent wasteful accumulation of scarce resources.
- ❖ **Scientific Decisions:** The decisions made by following these principles are scientific decisions. It is scientific in the sense that it is made with due regard to logic, reason and facts and it is rational. A rational decision always ensures efficiency within a business and helps in its success.
- ❖ **Adapting to Changes: Management** principles as already mentioned are general guidelines which is to be applied differently in different situations. Different management principles are contemplated for different situations. So when a situation changes, a different management principle apt to the new situation thereby allows adapting to changes.
- ❖ **Fulfilling Social Responsibility:** Management principles play a vital role in fulfilling the responsibility the business owes to the society. Businesses being social entities have social responsibilities for the benefits they derive from the society. Management principles such as ensuring optimal resources etc makes sure that the business does not bring harm to the society and also that it benefits the society.
- ❖ **Basis of Management Studies:** Management principles lie at the base of management education. All the knowledge imparted to the students of management are derived from management principles. This understanding conferred by virtue of being based on management principles helps in developing managerial talent.

GENERAL PRINCIPLES OF MANAGEMENT BY HENRY FAYOL

Henri Fayol put forward fourteen principles of management for the efficient running of businesses. As stated earlier, these principles of management are flexible and thus capable of adaptation to every need. The principles of management are:

- [1] **Division of Work:** In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist). Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.
- [2] **Authority and Responsibility:** In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates. The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.
- [3] **Discipline:** This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.
- [4] **Unity of Command:** The management principle 'Unity of command' means that an individual employee should receive orders from one manager and that the employee is answerable to that manager. If tasks and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.
- [5] **Unity of Direction:** This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must be carried out by one group that forms a team. These activities must be described in a plan of action. The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.
- [6] **Subordination of Individual Interest:** There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics). The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.
- [7] **Remuneration:** Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive. There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.
- [8] **The Degree of Centralization:** Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy. Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Henri Fayol. Henri Fayol indicated that an organization should strive for a good balance in this.
- [9] **Scalar Chain:** Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol's "hierarchy" management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels). This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy.
- [10] **Order:** According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.
- [11] **Equity:** The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally. Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.
- [12] **Stability of Tenure of Personnel:** This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization. Management

strives to minimize employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well.

[13] **Initiative:** Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company. Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

[14] **Esprit de Corps:** The management principle 'esprit de corps' of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication. Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

In conclusion on the 14 Principles of Management the 14 principles of management can be used to manage organizations and are useful tools for forecasting, planning, process management, organization management, decision-making, coordination and control. Although they are obvious, many of these matters are still used based on common sense in current management practices in organizations. It remains a practical list with focus areas that are based on Henri Fayol's research which still applies today due to a number of logical principles.

PRINCIPLES OF SCIENTIFIC MANAGEMENT BY TAYLOR:

F.W. Taylor or Fredrick Winslow Taylor is also known as the 'father of scientific management' proved with his practical theories that a scientific method can be implemented to management. Taylor gave much concentration on the supervisory level of management and performance of managers and workers at an operational level. Let's discuss in detail the 5 principles of management by F.W Taylor.

- ❖ **Science, not the 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. Taylor believed that even a small activity like loading paper sheets into box cars can be planned scientifically. This will save time and also human energy. This decision should be based on scientific analysis and cause and effect relationships rather than 'Rule of Thumb' where the decision is taken according to the manager's personal judgments.
- ❖ **Harmony, Not Discord:** Taylor indicated and believed that the relationship between the workers and management should be cordial and complete harmony. Difference between the two will never be beneficial to either side. Management and workers should acknowledge and understand each other's importance. Taylor also suggested the mental revolution for both management and workers to achieve total harmony.
- ❖ **Mental Revolution:** This technique involves a shift of attitude of management and workers towards each other. Both should understand the value of each other and work with full participation and cooperation. The aim of both should be to improve and boost the profits of the organization. Mental Revolution demands a complete change in the outlook of both the workers and management, both should have a sense of togetherness.
- ❖ **Cooperation, not Individualism:** It is similar to 'Harmony, not discord' and believes in mutual collaboration between workers and the management. Managers and workers should have mutual cooperation & confidence and a sense of goodwill. The main purpose is to substitute internal competition with cooperation.
- ❖ **Development of Every Person to his Greatest Efficiency:** 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. To assure that the training is given to the right employee, the right steps should be taken at the time of selection and recruiting candidates based on a scientific selection.

CONCLUSION

Key concepts namely principle and management were defined. Distinctive features of the principles of management were elaborated. The importance of the principles of management was discussed. The article critically examined the relevance and applicability of Henri Fayol's fourteen principles of management in current and future organisations. It was concluded that most of the principles are relevant and applicable to both existing and future organisations albeit with modifications to suit specific situations.

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