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## शक्ति उत्थान आश्रम लखीसराय बिहार

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### PRINCIPLES OF MANAGEMENT

#### Nature of Principles of Management

By nature is meant qualities and characteristics of anything. Principles are general propositions, which are applicable when certain conditions are present. These have been developed on the basis of observation and experimentation as well as personal experiences of the managers. Depending upon how they are derived and how effective they are in explaining and predicting managerial behaviour, they contribute towards the development of management both as a science and as an art. Derivation of these principles may be said to be a matter of science and their creative application may be regarded as an art. These principles lend credibility of a learnable and teachable discipline to the practice of management. As such, ascent to managerial position may not be a matter of birth, but a matter of requisite qualifications. Clearly, management principles have gained importance with increasing professionalization of management. These principles are guidelines to action. They denote a cause and effect relationship. While functions of management viz., Planning, Organising, Staffing, Directing and Controlling are the actions to be taken while practising management, Principles help managers to take decisions while performing these functions. The following points summaries the nature of principles of management.

**(i) Universal applicability:** The principles of management are intended to apply to all types of organizations, business as well as non-business, small as well large, public sector as well as private sector, manufacturing as well as the services sectors. However, the extent of their applicability would vary with the nature of the organisation, business activity, scale of operations and the like. For example, for greater productivity, work should be divided into small tasks and each employee should be trained to perform his/her specialised job. This principle is applicable to a government office where there is a diary/despatch clerk whose job is to receive and send mail or documents, a data entry operator whose task is to input data on the computer, a peon and an officer etc. This principle is also applicable to a limited company where there are separate departments like Production, Finance, Marketing and Research and Development etc. Extent of division of work, however, may vary from case to case.

**(ii) General guidelines:** The principles are guidelines to action but do not provide readymade, straitjacket solutions to all managerial problems. This is so because real business

situations are very complex and dynamic and are a result of many factors. However, the importance of principles cannot be underestimated because even a small guideline helps to solve a given problem. For example, in dealing with a situation of conflict between two departments, a manager may emphasise the primacy of the overall goals of the organisation.

**(iii) Formed by practice and experimentation:** The principles of management are formed by experience and collective wisdom of managers as well as experimentation. For example, it is a matter of common experience that discipline is indispensable for accomplishing any purpose. This principle finds mention in management theory. On the other hand, in order to remedy the problem of fatigue of workers in the factory, an experiment may be conducted to see the effect of improvement of physical conditions to reduce stress.

**(iv) Flexible:** The principles of management are not rigid prescriptions, which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. They give the manager enough discretion to do so. For example, the degree of concentration of authority (centralisation) or its dispersal (decentralisation) will depend upon the situations and circumstances of each enterprise. Moreover individual principles are like different tools serving different purposes, the manager has to decide which tool to use under what circumstances.

**(v) Mainly behavioural:** Management principles aim at influencing behaviour of human beings. Therefore, principles of management are mainly behavioural in nature. It is not that these principles do not pertain to things and phenomenon at all, it is just a matter of emphasis. Moreover, principles enable a better understanding of the relationship between human and material resources in accomplishing organisational purposes. For example, while planning the layout of a factory, orderliness would require that workflows are matched by flow of materials and movement of men.

**(vi) Cause and effect relationships:** The principles of management are intended to establish relationship between cause and effect so that they can be used in similar situations in a large number of cases. As such, they tell us if a particular principle was applied in a particular situation, what would be its likely effect. The principles of management are less than perfect since they mainly apply to human behaviour. In real life, situations are not identical. So, accurate cause and effect relationships may be difficult to establish. However, principles of management assist managers in establishing these relationships to some extent and are therefore useful. In situations of emergencies, it is desirable that someone takes charge and others just follow. But in situations requiring cross-functional expertise, such as setting up of a new factory, more participative approach to decision-making would be advisable.

**(vii) Contingent:** The application of principles of management is contingent or dependent upon the prevailing situation at a particular point of time. The application of principles has to be

changed as per requirements. For example, employees deserve fair and just remuneration. But what is just and fair is determined by multiple factors. They include contribution of the employee, paying capacity of the employer and also prevailing wage rate for the occupation under consideration.