MANAGEMENT PRINCIPLES

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LEARNING OUTCOME

By the end of the topic, learners shall be able to:

• Review the concept: Management principles.
• Explain 14 management principles by Henri Fayol.
• Apply management principles in the nursing profession.
Management Principles

• Are the statements of fundamental truth based on logic which provides guidelines for managerial decision making and actions.

• These principles are derived: -
  – On the basis of observation and analysis i.e. practical experience of managers.
  – By conducting experimental studies.
Principles of Management by Henri Fayol.

- Principles that he applied most frequently during his working life.
- Not absolute but capable of adaptation according to need.
- 14 principles of management.
14 Principles of Management by Henri Fayol.

1. Division of Labor
   - Specialization of jobs.
   - Work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area.
   - Subdivision of work makes it simpler and results in efficiency.
   - It also helps the individual in acquiring speed, accuracy in his performance and familiarity of job.
2. Authority & Responsibility

– Authority refers to right to give orders.
– The right of superiors to get exactness from subordinates.
– Responsibility means obligation for the performance of the job assigned.
– If authority is given to a person, he should also be made responsible. Vice versa.
– There should be a balance between the two i.e. they must go hand in hand.
– Authority without responsibility leads to irresponsible behavior whereas responsibility without authority makes the person ineffective.
3. Unity of command

• The principle of one boss.
• A sub-ordinate should receive orders and be accountable to one and only one boss at a time.
• A sub-ordinate should not receive instructions from more than one person because –
  - Creates confusion
  - Escaping responsibilities
  - Duplication of work
  - Overlapping of efforts
4. Unity of Direction

• Fayol advocates one head one plan – there should be one plan for a group of activities having similar objectives.

• Related activities should be grouped together.

• There should be one plan of action for them and they should be under the charge of a particular manager.

• Efforts of all the members of the organization should be directed towards common goal.

• Without unity of direction, unity of action cannot be achieved.

• Unity of command is not possible without unity of direction.
5. Equity

- Means combination of fairness, kindness & justice towards employees.
- The employees should be treated with kindness & equity if devotion is expected of them.
- Managers should be fair and impartial while dealing with the subordinates.
- Give similar treatment to people of similar position.
- No discriminate with respect to age, sex, religion, relation.
5. Equity ct.

- Create and maintain cordial relations between the managers and sub-ordinate.
- But equity does not mean total absence of harshness.
- Fayol was of opinion that, “at times force and harshness might become necessary for the sake of equity”.

6. Order

- A place for everything and everything in its place.
- Proper & systematic arrangement of things and people.
- Arrangement of things is called material order and placement of people is called social order.
- Material order- There should be safe, appropriate and specific place for every article and every place to be effectively used for specific activity and commodity.
- Social order- Selection and appointment of most suitable person on the suitable job.
  - There should be a specific place for every one and everyone should have a specific place so that they can easily be contacted whenever need arises.
7. Discipline

– According to Fayol, “Discipline means sincerity, obedience, respect of authority & observance of rules and regulations of the enterprise”.

– Outward marks of respect.

– This principle applies that subordinate should respect their superiors and obey their order.

– It is an important requisite for smooth running of the enterprise.

– Discipline is not only required on path of subordinates but also on the part of management.
7. Discipline ct.

Discipline can be enforced if -

• There are good superiors at all levels.
• There are clear & fair agreements with workers.
• Sanctions (punishments) are prudently applied.
8. Initiative

• Workers should be encouraged to take initiative in the work assigned to them.
• Eagerness to initiate actions without being asked to do so.
• Fayol advised that management should provide opportunity to its employees to suggest ideas, experiences & new method of work.
• It helps in developing an atmosphere of trust and understanding.
8. Initiative ct.

• People then enjoy working in the organization because it adds to their zeal and energy.

• To suggest improvement in formulation & implementation of place.

• They can be encouraged with the help of monetary & non-monetary incentives.
9. Remuneration

- The quantum and method of remuneration to be paid to the workers should be fair, reasonable, satisfactory & rewarding of the efforts.
- As far as possible it should accord satisfaction to both employer and the employees.
- Wages should be determined on the basis of cost of living, work assigned, financial position of the business, wage rate prevailing.

- Logical & appropriate wage rates and methods of their payment reduce tension & differences between workers & management creates harmonious relationship and pleasing atmosphere of work.

- Fayol also recommended provision of other benefits such as free education, medical & residential facilities to workers.
10. Stability of Tenure

- Fayol emphasized that employees should not be moved frequently from one job position to another i.e. the period of service in a job should be fixed.
- Time is required for an employee to get used to a new work & succeed to doing it well.
- Stability of job creates team spirit and a sense of belongingness among workers which ultimately increase the quality as well as quantity of work.
11. Scalar Chain

- The line of authority from top to bottom
- Fayol - the chain of superiors ranging from the ultimate authority to the lowest”.
- Every orders, instructions, messages, requests, explanation has to pass through Scalar chain.
- But, for the sake of convenience & urgency, this path can be cut short and this short cut -Gang Plank.
  - Clarifies that management principles are not rigid rather they are very flexible.
  - They can be molded and modified as per the requirements of situations
12. Subordination of Individual Interests to General Interest

- An organization is much bigger than the individual
- Reconciliation should be achieved between individual and group interests.
- In case of conflict, individual must sacrifice for bigger interests.
- In order to achieve this attitude, it is essential that -
  - Employees should be honest & sincere.
  - Proper & regular supervision of work.
  - Reconciliation of mutual differences and clashes by mutual agreement.
13 Espirit De’ Corps

• Refers to team spirit - harmony in the work groups and mutual understanding among the members (team work).
• Inspires workers to work harder.
• Fayol cautioned the managers against dividing the employees into competing groups because it might damage the moral of the workers and interest of the undertaking in the long run.
13 Espirit De’ Corps ct.

• To instill Espirit De’ Corps following steps should be undertaken
  – Proper co-ordination of work at all levels
  – Subordinates should be encouraged to develop informal relations among themselves.
  – Efforts should be made to create enthusiasm and keenness among subordinates so that they can work to the maximum ability.
  – Efficient employees should be rewarded and those who are not up to the mark should be given a chance to improve their performance.
  – Subordinates should be made conscious of that whatever they are doing is of great importance.
14. Centralization and De-Centralization

- **Centralization** - Concentration of authority at the top level (top management retains most of the decision making authority).

- **Decentralization** - disposal of decision making authority to all the levels of the organization (sharing authority downwards)

- Anything which increases the role of subordinate is decentralization & anything which decreases it is centralization.

- Fayol suggested that absolute centralization or decentralization is not feasible.

- An organization should strike to achieve a lot between the two.
Application in the nursing profession.

- Principle of division of work, scalar chain, unity of command and centralisation emphasise on the structural nature of the organisation (formal organisation and bureaucracy).
• Principles of remuneration and equity represents individual verses general interests in an organisation (paternalistic management).
APPLICATION ct.

- The principles of initiative and esprit de corps represents sensitive to peoples’ needs as individuals and groups.
- Avoid excessive mechanistic approach towards employees.
- Employees should participate in the decision making process.
Reference

• Blackwells (http://www.blackwell-synergy.com)