

## PRINCIPLES OF MANAGEMENT

### **Principle**

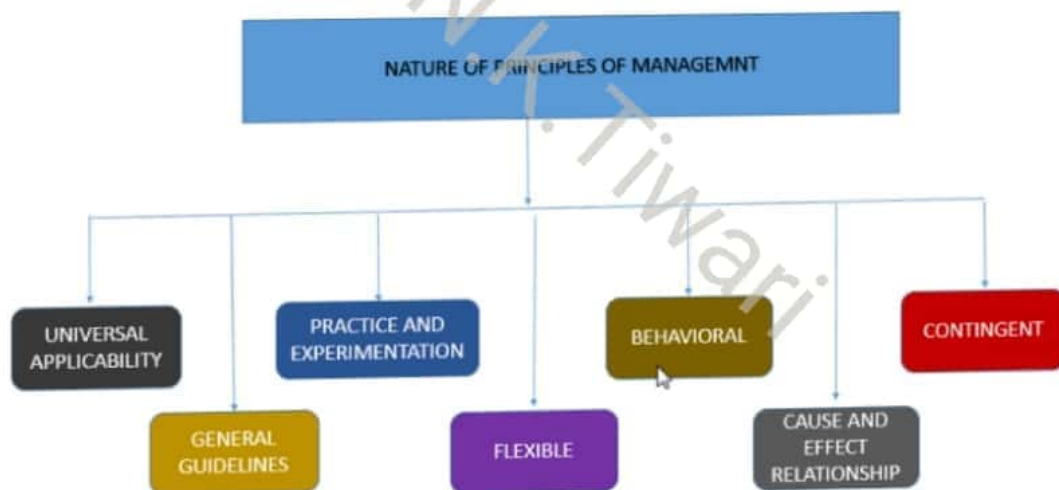
A principle is a fundamental truth or proposition that serves as the foundation for a system of belief or behavior or for a chain of reasoning

### Principles of Management

Principles of management are broad and general guidelines for managerial decision-making and behavior. Management principles are not as rigid as principles of science as this deals with human behavior and thus are to be applied creatively given the demands of the situation.

### Nature of Principles of Management

The nature of principles of management are as follows:



1. **Universal applicability:** Principles of management is applicable in all types of organizations, business as well as non-business, small as well as large enterprises depending on the nature of the organisation.
2. **General Guidelines:** They are general guidelines to action but do not provide straight solution to all managerial problems, as the business situations are complex and dynamic.
3. **Formed by practice and experimentation:** They are formed from the knowledge, experiences and experiments of the managers.
4. **Flexible:** These principles are not rigid and can be adapted and modified by the practicing managers depending upon the situation.
5. **Mainly Behavioral:** Since the principles aim at influencing complex human behavior they are behavioral in nature.
6. **Cause and Effect relationship:** They are intend to establish relationship between cause & effect so that they can be used in various situations.
7. **Contingent:** Their applicability depends upon the prevailing situation at a particular point of time. The application has to be changed as per the situation.

#### **Significance of the Principles of Management**

## SIGNIFICANCE OF THE PRINCIPLES OF MANAGEMENT

- **Providing managers with useful insights into reality**
- **Optimum utilization of resources and effective administration**
- **Scientific decisions**
- **Meeting the changing environmental requirements**
- **Fulfilling social responsibility**
- **Management training, education and research**

1. **Providing managers with useful insights into reality:** Principles of management guide managers with useful insights into real world situations, adherence to these principles will improve their knowledge, ability and understanding of various managerial situations and circumstances.
2. **Optimum utilization of resources and effective administration:** The resources with the company are limited. Management principles equip the managers to see the cause and effect of their decisions and actions and thus reduce wastage. Optimum utilization of resources means maximum benefit with minimum cost.
3. **Scientific decisions:** Decisions must be based on facts, thoughtful and justifiable in terms of intended purpose. Management principles must be timely, realistic and subject to measurement and evaluation. Principles are free from bias and prejudice.

4. **Meeting the changing environmental requirements:** Management principles are effective and dynamic and thus help the organization to meet the changing requirements of the environment.
5. **Fulfilling social responsibility:** Due to the increased awareness of the public forces all companies are required to fulfill social responsibilities. Principles of management not only help in achieving organizational goals but also guide managers in performing social responsibilities.
6. **Management training, education and research:** Management principles are the core of management and are helpful in increasing knowledge, which forms the basis for management training and research.

#### **Taylor's Scientific Management**

**Meaning:** It implies conducting of business activities according to standardized tools, methods and trained personal in order to increase output improve its quality and reduce costs and wastes through effective and optimum utilization of resources. Hence, it stresses that there is always one best method to maximize efficiency. This method can be developed through study and analysis.

#### **Principles of Scientific Management**