

# Institute of Engineering JIWAJI UNIVERSITY



## Presentation On Principles Of Management UNIT-II BE 8sem (EL-8103)Electronics

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# INTRODUCTION

- A body of principles of management has been developed by **Henri Fayol**,
- The father of modern management.
- Fayol held that there is a single "administrative science",

# INTRODUCTION

- Whose principles can be used in all management situations.
- No matter what kind of organization was being managed.

# INTRODUCTION

- This earned him the title of "Universality".
- He, however, emphasized that his principles were not immutable laws,
- But rules of thumb to be used as occasion demanded.

# ACTIVITY CATEGORIES

- Fayol held that activities of an industrial enterprise can be grouped in six Categories:
  - Technical (production)
  - Commercial (buying, selling and exchange)
  - Financial (search for and optimum use of capital)



# ACTIVITY CATEGORIES

- Security (protection of property and persons),
- Accounting (including statistics); managerial.
- However, he devoted most of his attention to managerial activity.

# Authority and Responsibility are Related

- Fayol held that authority flows from responsibility.
- Managers who exercise he regarded authority over others.
- Should assume responsibility for decisions as well as for results.

# Authority and Responsibility are Related

- He regarded authority as a corollary to responsibility.
- Authority is official as well as personal.
- Official authority is derived from the manager's position.

# Authority and Responsibility are Related

- In organizational hierarchy and personal authority is compounded.
- Intelligence, experience, moral worth, past services, etc.

# Authority and Responsibility are Related

- A corollary of the principle that no manager should be given authority.
- Unless he assumes responsibility is that those who have responsibility.

# Authority and Responsibility are Related

- Should also have commensurate authority in order to enable them.
- To initiate action on others and command resources.
- Required for the performance of their functions enable them.

# Authority and Responsibility are Related

- This aspect of relationship between responsibility and authority.
- Where authority tends to be concentrated.
- In higher echelons of management.

# UNITY OF COMMAND

**PRINCIPLE**



**ONE EMPLOYEE**



**ONE BOSS**

- Receive instructions from boss only.



# UNITY OF COMMAND

- Fayol observed that if this principle is violated authority will be undermined.
- Discipline will be jeopardy, order will be disturbed.
- And stability will be threatened.

# UNITY OF COMMAND

- Dual command is a permanent source of conflict.
- Therefore, In every organization,
- Each subordinate should have one superior
- Whose command he has to obey.

# UNITY OF DIRECTION

- All managerial and operational activities
- Which relate a distinct group with the same objective.
- Should be directed by "one head and one plan".

# UNITY OF DIRECTION

- It, however, does not mean that all decisions should be made at the top.
- It only means that all related activities should be directed by one person.

# UNITY OF DIRECTION

According to Fayol, there should be, "one head and one plan for a group of activities having the same objective".

# UNITY OF DIRECTION

- It only means that all related activities should be directed by one person.

# UNITY OF DIRECTION

## □ EXAMPLE

- All marketing activities like product strategy and policy, advertising and
- Sales promotion, distribution channel policy, product pricing policy,

# UNITY OF DIRECTION

- Marketing research, etc., should be under the control of one manager,
- And directed by an integrated plan.
- This is essential for the "**unity of action, coordination of strength and focusing of effort**".



# UNITY OF DIRECTION

- Violation of this principle will cause fragmentation of action.
- And effort, and wastage of resources.

# SCALAR CHAIN OF COMMAND

- According to Fayol scalar chain is the chain of superiors.
- Ranging from the ultimate authority to the lowest ranks.

# SCALAR CHAIN OF COMMAND

- The line of authority is the route followed via every link in the chain
- By all communication which start from
- OR go to the ultimate authority.

# DIVISION OF WORK

- This is the principle of specialization.
- Fayol, applies to all kinds of work, managerial as well as technical.

# DIVISION OF WORK

- It helps a person to acquire an ability and accuracy.
- Which he can do more and better work with the same effort.

# DIVISION OF WORK

- Therefore, the work of every person in the organization should be limited.
- As far as possible to the performance of a single leading function.

# DISCIPLINE

- Discipline is a *sine qua non* for the proper *functioning* of an organization.
- Members of an organization are required to perform their functions.
- Conduct themselves in relation to others according to rules, norms and customs.

# DISCIPLINE

- According to Fayol, discipline can best be maintained by :
  - Having good superiors at all levels;
  - Agreements that are as clear and fair as possible.
  - Penalties judiciously imposed.



# Subordination of Individual Interest to General Interest

- **The interest of the organization**
  - Above the interests of the individual
  - And the group.
  
- It can be achieved only when managers in high positions in the organization.

# Subordination of Individual Interest to General Interest

- This is An example of honesty, integrity, fairness and justice.
  
- It will involve
  - An attitude
  - And a spirit of sacrificing
  - Their own personal interests.

# Subordination of Individual Interest to General Interest

- Whenever it becomes apparent that such personal interests.
- In conflict with organizational interests.
- It may, however, be emphasized

# Subordination of Individual Interest to General Interest

- That social and national interests
- Should have precedence over organizational interests.
- Whenever the two run counter to each other.

# REMUNERATION

- Employees should be paid fairly and equitably.
- Differentials in remuneration should be based on job differentials,

# REMUNERATION

- In terms of
  - Qualities of the employee,
  - Application,
  - Responsibility,
  - Working conditions ,
  - Difficulty of the job.

# REMUNERATION

- It should also take into account factors like
  - Cost of living,
  - General economic conditions,
  - Demand for labour
  - and economic state of the business.

# CENTRALIZATION

- Fayol believed in centralization.
- He, however, did not contemplate concentration.
- All decision making authority in the top management.



# CENTRALIZATION

- Centralization and decentralization is a question of proportion.
- In a small firm with a limited number of employees,
- The owner-manager can give orders directly to everyone.

# CENTRALIZATION

- In large organizations, however, where the worker is separated from the chief executive.
- Through a long scalar chain, the decision making authority has to be distributed.

# CENTRALIZATION

- Among various managers in varying degrees.
- Across a situation of decentralization with centralized control.
- It is also depends on the quality of managers.

# ORDER

- In the conception of Fayol, means right person on the right job.
- And everything in its proper place.
- This kind of order, depends on precise knowledge of human requirements and resources

# ORDER

- This kind of order, depends on precise knowledge of human requirements and resources.
- Of the concern and a constant balance between these requirements and resources.

# EQUITY

- It means that subordinates should be treated with justice and kindness.
- This is essential for eliciting their devotion and loyalty to the enterprise.

# EQUITY

- It is, therefore the duty of the chief executive,
- To instill a sense of equity throughout all levels of scalar chain.

# STABILITY OF TENURE OF PERSONNEL

- The managerial policies should provide a sense of reasonable job security.
- The hiring and firing of personnel
- Should depend not on the whims of the superiors.



# STABILITY OF TENURE OF PERSONNEL

- But on the well-conceived personnel policies.
- He points out that it takes time for an employee to learn his job.
- If they quit or are discharged within a short time,

# STABILITY OF TENURE OF PERSONNEL

- The learning time has been wasted.
- At the same time those found unsuitable should be removed.
- Those who are found to be competent should be promoted.

**THANK YOU**