

Introduction to Management Principles

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Designed as quick-reference study notes

1. What Is Management?

Aspect	Description
Definition	The process of planning, organizing, leading, and controlling resources to achieve organizational goals efficiently and effectively.
Core Objective	Align people, technology, and finances with the mission and strategy of the organization.
Levels	Top Management – strategic direction Middle Management – tactical coordination First-line Management – operational execution

2. The Four Classical Functions of Management

Function	Key Activities	Typical Tools
Planning	• Set objectives • Forecast future conditions • Develop courses of action	SWOT analysis, PESTEL, Gantt charts, scenario planning
Organizing	• Design structure (departments, teams) • Allocate resources • Define roles & authority	Org charts, RACI matrix, job descriptions
Leading (or Directing)	• Motivate and communicate • Provide guidance and coaching • Resolve conflicts	Leadership styles, motivational theories, communication models
Controlling	• Measure performance • Compare against standards • Take corrective action	KPIs, balanced scorecard, variance analysis, dashboards

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The functions are inter-related; effective managers cycle continuously through them.

3. Fundamental Management Principles

Principle	Meaning	Practical Example
Division of Work	Specialization increases efficiency.	Assign a skilled accountant to handle all financial reporting.
Authority & Responsibility	Authority to give orders must be matched with accountability.	A project manager approves budgets and is held responsible for cost overruns.
Discipline	Employees must obey rules and respect agreements.	Enforce punctuality through a clear attendance policy.
Unity of Command	Each employee reports to one superior.	A sales rep receives instructions only from the sales manager, not from marketing.
Unity of Direction	The organization should have a single plan for each set of objectives.	All product development teams follow the same market entry strategy.
Subordination of Individual Interests	Organizational goals take precedence over personal agendas.	Team bonuses are tied to overall project success, not individual sales.
Remuneration	Fair compensation motivates performance.	Implement a transparent salary band and performance-based bonuses.
Centralization vs. Decentralization	Balance decision-making authority between top and lower levels.	Grant regional managers autonomy for local marketing while keeping brand standards central.
Scalar Chain (Chain of Command)	Clear hierarchy from top to bottom.	A clear reporting line: CEO → VP → Director → Manager → Staff.
Order	Systematic arrangement of resources and people.	Maintain an organized inventory system with barcode tracking.
Equity	Treat employees with fairness and kindness.	Apply consistent performance appraisal criteria for all staff.

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Principle	Meaning	Practical Example
Stability of Personnel	Low turnover builds expertise and morale.	Offer career?development programs to retain talent.
Initiative	Encourage employees to take proactive actions.	Allow staff to propose process?improvement ideas and reward implemented suggestions.
Esprit de Corps	Foster teamwork and a sense of belonging.	Organize regular team?building activities and celebrate collective achievements.

(These 14 principles were originally articulated by Henri Fayol, a pioneer of modern management theory.)

4. Contemporary Management Approaches

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