The Importance of Management Principles for an Organisation

by Smriti Chand Organization

Advertisements:

Management Lead

400% Boost in Conversion Rates. Contact Us Today & Get A Free Demo!

velocify.com/Leads

The Importance of Management Principles for an Organisation!

Proper understanding of management principles is very necessary and helpful for managers as these principles act as guidelines for managerial activities. By practising principles managers can avoid various mistakes while dealing with people in the organisation.
The significance of management principles is due to following reasons:

(1) **Providing managers with useful insight into reality:**

Management principles act as guidelines for the managers. These principles improve knowledge, ability and understanding of managers under various managerial situations. The effects of these principles help the managers to learn from their mistakes. These principles guide managers to take right decision at the right time.

(2) **Optimum utilisation of resources:**

The management principles insist on planned activities and systematic organisation of men and materials in the organisation. Principles are designed to get maximum
benefits from the human efforts and other resources.

For example, scientific principles suggest to cut down the wasteful movements and setting up of standard time to complete a task. By saving time, energy and efforts activities can be made economical and result in maximum utilisation of resources.

(3) Scientific decisions:
Managers have to take number of decisions every day. So they need to assess the resources of organisations very carefully so that the appropriate decision can be taken by using the available resources in best possible manner. The management principles enable the managers to approach various problems systematically and scientifically.

For example, Taylor’s principles always insisted on replacement of rule of thumb by scientific approach i.e., he suggested to conduct the time study to set up the standard time required to perform a job rather than leaving it at the discretion or will of manager.

(4) Meeting changing environment requirement:
Every businessman has to make changes in the organisation according to changes taking place in the business environment. Management principles train the managers in implementing the changes in right direction and at right level in the organisation. Although management principles are relative and general guidelines yet by modifying these principles changes can be made in the organisation.

(5) Effective administration:
Administration is the function of top level management. In this function major plans and policies are formed. The management principles act as guidelines and base to form various administrative policies to have systematic working in the organisation. Management principles make administration more effective by discouraging personal prejudices and biases. These principles insist on objectivity and scientific decisions.

For example, principle of unity of command, scalar chain, and unity of direction leads to systematic and smooth functioning of the organisation as unity of command avoids confusion of more bosses. Unity of direction unifies the efforts of all the employees in common direction and scalar chain results in systematic flow of information. So all these principles definitely bring effective and efficient administration.

(6) **Fulfilling Social responsibilities:**

A business is creation of society and makes use of resources of society so it must do something for society also by performing some social responsibilities. Management principles not only act as guidelines for achieving organisational objectives but these principles also guide the managers to perform social responsibilities.

For example, the principle of fair remuneration insists on adequate salary to employees and takes care of interest of employees also.

(7) **Management Training, Education and Research:**

The management principles stress on scientific judgements and logical thinking. As a result these
principles act as base of doing research and development in management studies. As these principles provide organised body of knowledge to perform research work and generate more and more knowledge, they have provided new ideas, imagination and base for research and development.

Principles of management are at the core of management theories. These act as base for management training and education. Professional courses such as BBA, MBA also teach these principles as part of their curriculum. The entire management institute takes aptitude test and these tests are based on management principles only.

Advertisements:

**Business Analytics**

Interested in Business Analytics? Get the Ultimate Guide to BA.

pentaho.com

**Related Articles:**

1. 6 Main Significance of Principles of Management
2. Principles of Management: What do you understand by the Principles of Management?
3. What is the Importance of Management?
5. 7 Important Natures of Principles of Management
6. Short Notes on the Concept of Principles of
Before publishing your articles on this site, please read the following pages:

1. Content Guidelines
2. Prohibited Content
3. Plagiarism Prevention
4. Image Guidelines
5. Content Filtrations
6. TOS
7. Privacy Policy
8. Disclaimer
9. Copyright
10. Report a Violation

PUBLISH ARTICLES
<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership, Procedure and Other Details</td>
<td>JULY 16, 2015</td>
</tr>
<tr>
<td>Top 10 Functions of International Monetary Fund (IMF)</td>
<td>JULY 16, 2015</td>
</tr>
<tr>
<td>Top 11 Recommendations of UNCTAD – Explained!</td>
<td>JULY 16, 2015</td>
</tr>
<tr>
<td>United Nations Conference on Trade and Development</td>
<td>JULY 16, 2015</td>
</tr>
</tbody>
</table>