PEOPLE'S DEMOCRATIC OF ALGERIA

Ministry of Higher Education and Scientific Research

Oran Graduate School of Economics

Pedagogical Handout

Course :

« MANAGEMENT PRINCIPLES »

For Students
Second Year Second Cycle

« Economics of Organizations »

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INTRODUCTION

Management is a fundamental aspect of organizational success, guiding governments and organizations toward achieving their goals effectively and efficiently. The principles of management serve as foundational guidelines that help managers plan, organize, lead, and control operations effectively. From classical theories proposed by pioneers like Henri Fayol and Frederick Taylor to modern strategic approaches, management principles continue to evolve, adapting to dynamic business environments. Understanding these principles is crucial for fostering innovation, improving efficiency, and ensuring sustainable growth in both public and private sectors.

This handout on « ***Management Principles*** » provides a comprehensive understanding of the fundamental concepts, theories, and practices that shape modern management. Throughout this handout, we will explore essential management functions such as planning, organizing, leading, and controlling. We will also examine the core principles introduced by management pioneers like Henri Fayol and Frederick Taylor, and how these principles apply in today's dynamic business environment.

By the end of this handout, you will have the knowledge and skills to effectively manage teams, make informed decisions, and improve organizational performance. Whether you are an aspiring manager, an entrepreneur, or a business professional, mastering these principles will empower you to navigate challenges and drive success in any industry.

This handout on Management Principles is a series of lectures intended for second-year Master's students of secondary cycle ; specializing in "Economics of Organizations." Its aim is to provide students with both theoretical and practical knowledge, focusing on the presentation of concepts specific to management.

This handout consists of **21** hours of instruction and is valued at **4** credits with a coefficient of **3**. It is recommended that students have prior knowledge in *Economics and Analysis of Organizations*.

Pedagogical Objectives of the handout on « Management Principles »

By the end of this course, students will be able to:

- Understand Fundamental Management Concepts: Define management, recognize its importance, and identify key functions (planning, organizing, leading, and controlling).
- Apply Management Theories and Principles: Analyze contributions of theorists like Fayol, Taylor, and Weber, and relate their principles to real-world business scenarios.
- Develop Strategic and Operational Planning Skills: Differentiate between strategic, tactical, operational, and contingency planning and create effective business plans.
- Enhance Organizational Structure and Efficiency: Understand organizational structures, apply principles of division of work, authority, and responsibility to improve efficiency.
- Improve Leadership and Decision-Making Abilities: Identify leadership styles, enhance problem-solving, critical thinking, and decision-making skills.

These objectives equip students with the knowledge and skills to effectively manage organizations, lead teams, and drive business success. By achieving these objectives, students will be well-prepared to apply management principles in real-world business environments, enhance organizational effectiveness, and develop strong leadership capabilities.

Content Description:

Chapter 1: Introduction to Organizational Management

- *Section I : Management of Organization ;*
- *Section II : Management process ;*
- *Section III: Public management vs private management.*

Chapter 2: Various Approaches to Management

- *Section I : Classical school ;*
- *Section II : Human relations school ;*
- *Section III : Contingence and system approache.*

Chapter 3:Manager Vs Leader

- *Section I : Leadership and management ;*
- *Section II : Relationship between leader and manager.*

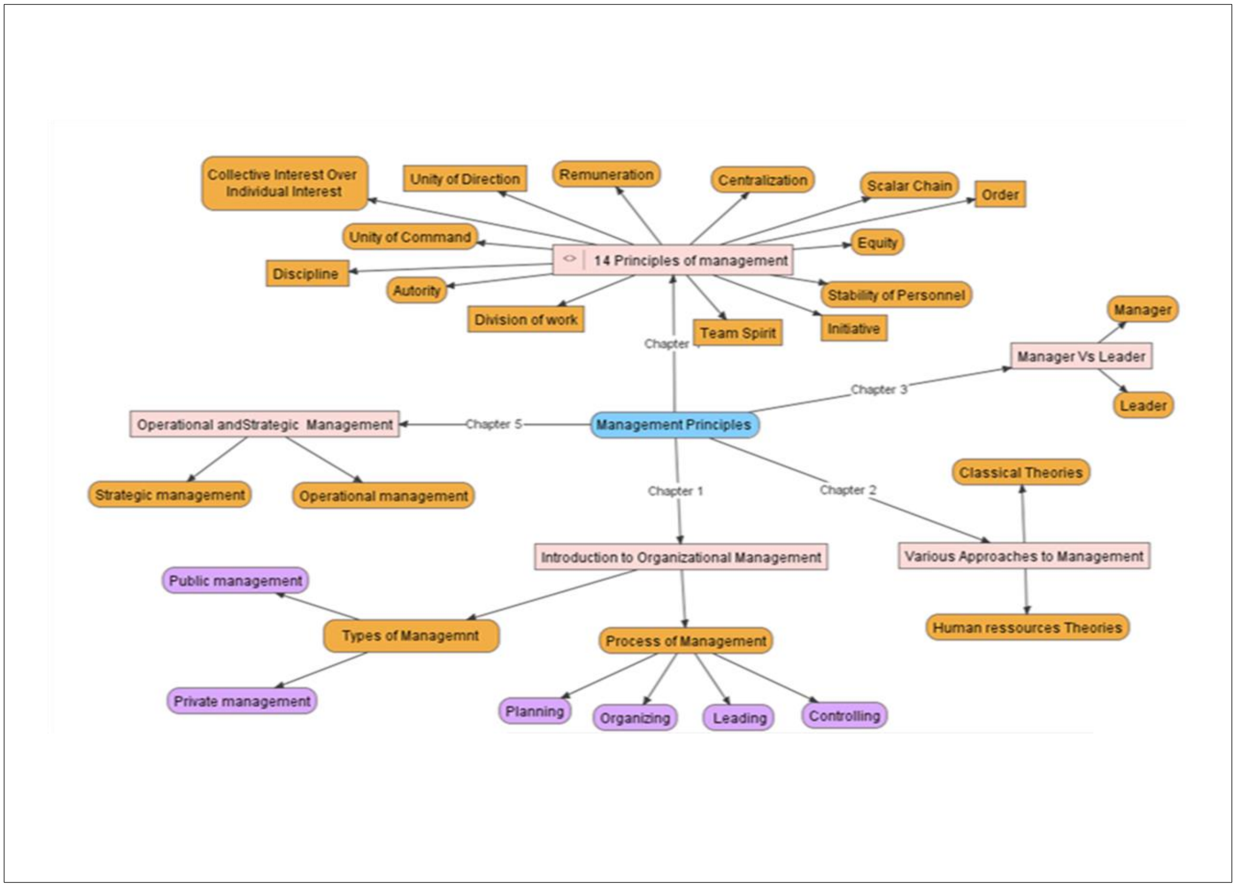
Chapter 4: Principles of management

- *Section I : The 14 Principles of management (According to H Fayol) ;*
- *Section II : The imoprtance of the 14 Principles of management.*

Chapter 5: Operational and Strategic Management

- *Section I : Strategic and Operational Management ;*
- *Section II : Difference between Strategic and Operational Management.*

Figure 1 : Mind map of the module



Source : Author's elaboration by using VUE Software

CHAPTER 1 :

INTRODUCTION TO ORGANIZATIONAL MANAGEMENT

Management is a fundamental function in any organization, playing a crucial role in coordinating resources and guiding efforts toward achieving specific goals. It involves a structured process of planning, organizing, leading, and controlling various organizational activities to ensure efficiency and effectiveness. Over time, different scholars and experts have proposed various definitions of management, reflecting its evolving nature and diverse applications across industries.

Chapter plan :

Section I : Management of Organization ;

Section II : Management process ;

Section III : Public management Vs Private management.

SECTION I : MANAGEMENT OF ORGANIZATION

Effective management is crucial for the success of teams and organizations in achieving their goals. Unfortunately, many managers today lack the necessary tools and processes to efficiently complete their tasks.

I.1. Management

Understanding management requires exploring its key components, including decision-making, leadership and communication, all of which contribute to an organization's overall success.

I.1.1. Definitions of Management

Management can be defined as both the art and science of coordinating and guiding the efforts of individuals within an organisation to achieve common goals effectively and efficiently.

(Drucker, 2007) described management as: *« A practice that makes people capable of joint performance, enabling them to achieve common goals and to grow through their efforts.* »

This definition presents management as a human-centered and performance-oriented practice that goes beyond technical or administrative functions. It highlights management as a social process that promotes collaboration, goal alignment, and individual growth. By making people "capable of joint performance," management integrates individual efforts toward collective objectives. Moreover, Drucker introduces a developmental dimension, asserting that effective management enables personal growth alongside organizational success. This view resonates with modern approaches to participative leadership and organizational learning, emphasizing empowerment and skill development as foundations of sustainable performance.

(Kotler & Keller, 2016) defined management as: « *The process of planning, organizing, directing, and controlling resources to achieve specific goals in a given environment* »

This definition by Kotler and Keller (2016) presents management as a systematic and functional process, emphasizing the classical managerial functions—planning, organizing, directing, and controlling. It reflects a goal-oriented and resource-based perspective, focusing on efficiency and coordination to achieve desired outcomes within a specific environment. However, unlike more human-centered views (e.g., Drucker, 2007), this definition adopts a process-driven and operational approach, highlighting management's instrumental role in ensuring organizational effectiveness.

Management is the process of designing and maintaining an environment in which individuals, working together in groups, , ensuring the efficient achievement of predefined objectives. (Koontz & Weihrich, 2019)

This definition frames management as a deliberate and structured process focused on designing and sustaining an environment conducive to effective group collaboration. It emphasizes that management's primary function is to enable individuals to work together efficiently toward achieving predefined organizational goals. This perspective highlights the manager's role as a facilitator and coordinator, responsible for creating the conditions : structural, motivational, and cultural ; that foster collective performance. By linking environmental design to goal attainment, Koontz and Weihrich underscore management's dual concern for organizational efficiency and human cooperation, bridging technical and behavioral dimensions within managerial practice.

Management encompasses a series of activities, such as planning, decision-making, organizing, leading, and controlling, aimed at optimizing the use of an organization's resources to achieve its objectives efficiently and effectively. (Griffin, 2020)

The definition adopts a comprehensive and functional perspective of management, presenting it as a sequence of interrelated activities : planning, decision-making, organizing, leading, and controlling ; that collectively ensure the optimal utilization of organizational resources. This view reflects the classical managerial framework, emphasizing both efficiency and effectiveness as core managerial outcomes. By integrating these functions, Griffin highlights management as a dynamic and continuous process aimed at balancing strategic goals with operational performance, thereby ensuring the organization's adaptability and sustainability in a changing environment.

Management refers to the process of planning, organizing, leading, and controlling resources (humans, finances, materials) to achieve organizational goals effectively and efficiently. It involves coordinating the efforts of people to achieve common objectives and is a key function in the operation of any organization, whether it's a business or a nonprofit entity. (Robbins, S. P & Coulter, 2021)

These definitions emphasize that management is not merely a set of tasks, but a comprehensive process involving decision-making, coordination, leadership, and performance evaluation. It integrates both technical competencies and human dynamics.

Management is the art and science of coordinating and guiding the efforts of individuals to achieve common goals efficiently and effectively. It involves planning, organizing, leading, and controlling resources, creating conditions for collaboration, optimizing resource use, and ensuring the attainment of organizational objectives.

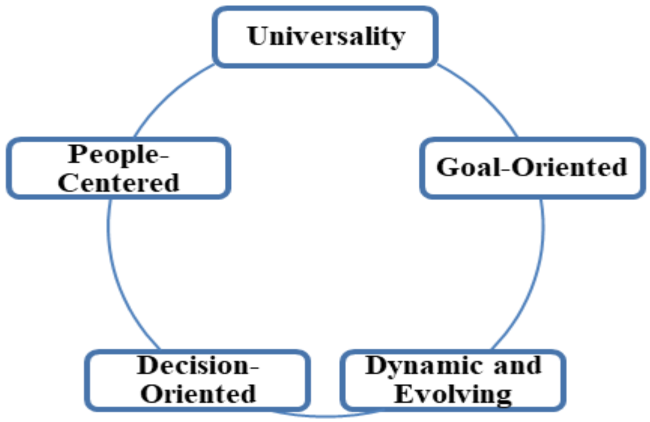
I.1.2.Characteristics of Management

An analysis of various definitions of management indicates that it possesses distinct characteristics. The following are some of the salient features of management: (Fayol, 1949) (Drucker , 1999). (Mintzberg, 2018)

- **Management as a Science and an Art:** Combines structured knowledge with practical skills for effective application.
- **Universality:** Applicable to all organizations, integrating principles from multiple disciplines (economics, psychology, sociology, mathematics).
- **Dynamic Nature:** Adapts to environmental changes and drives innovation, new methodologies, and strategies.
- **People-Centered Process:** Coordinates human efforts, builds interpersonal relationships, and facilitates teamwork.
- **Systematic and Organized Approach:** Comprises interdependent functions : planning, organizing, staffing, directing, and controlling.
- **Decision-Oriented:** Involves strategic decision-making that impacts organizational success.
- **Hierarchy and Authority Structure:** Ensures responsibility, accountability, and efficient coordination.
- **Continuous and Evolving Process:** Management evolves with technology, market demands, and organizational needs.
- **Intangible but Impactful:** Measured through outcomes like productivity, communication, and employee motivation.

- **Goal and Performance-Oriented:** Effectiveness judged by achievement of objectives, operational efficiency, financial success, and employee satisfaction.

Figure 2 : Principle caracteristics of management



Source : Author's elaboration

Management, as defined by Fayol (1949), Drucker (1999), and Mintzberg (2018), is a multidimensional and adaptive discipline that blends science and art. It is universal, systematic, and people-centered, evolving continuously to respond to change. Through its focus on coordination, accountability, and performance, management functions as a dynamic and interdisciplinary process that drives organizational effectiveness and sustainability.

I.1.3. Importance of Management

Management is often considered the brain of an organization, responsible for planning, coordinating resources, and ensuring that objectives are achieved efficiently (Drucker , 1999) .The significance of management can be understood through the following key aspects:

- **Achieving Organizational Goals Efficiently:** Ensures objectives are met on time and cost-effectively through proper resource allocation and prioritization.
- **Enhancing Productivity and Performance:** Optimizes workflows, reduces inefficiencies, and motivates employees to improve job satisfaction and overall performance.
- **Competitive Advantage:** Fosters innovation, enhances customer service, and reduces costs to maintain a strong market position.

- **Employee Motivation and Job Satisfaction:** Shapes workplace culture, promotes engagement, and ensures fair policies and recognition for higher retention and productivity.
- **Effective Risk Management:** Identifies potential risks and implements strategies to minimize operational and financial impacts.
- **Strengthening Corporate Governance:** Upholds ethical decision-making, accountability, and compliance with legal and regulatory frameworks.
- **Sustainability and Environmental Responsibility:** Implements CSR initiatives and sustainable practices to enhance reputation and regulatory compliance.
- **Facilitating Globalization:** Manages international operations, cross-border trade, and multicultural workforces effectively.
- **Customer Satisfaction and Loyalty:** Ensures high-quality products/services, builds trust, and leverages customer relationship management.
- **Financial Stability and Profitability:** Oversees financial planning, budgeting, and cost control to maintain profitability and prevent crises.
- **Promoting Research and Development (R&D):** Encourages innovation and continuous learning to drive competitiveness and industry leadership.

Management is an important factor in the business. It is considered as important as a brain in human body. Without a brain human body is only a collection of bones and fleshes which is of no use; likewise, if management is not in business it is only collection of money, machines, material and men which is not useful in achieving the objectives.

I.4. Functional Areas of Management

As mentioned above, management has a wide scope in different areas due to its social and universal nature. Therefore, the functional areas of management have widened due to its inter-disciplinary approach.

I.4.1. Production and operations : The production and operations function converts inputs, such as land, labour and raw materials into goods and services in the right quantity at the right cost and at the right time.

The production function includes various subordinate functions which are as follows:

- Developing product designs

- Selecting the plant location and layout
- Purchasing and storing materials
- Planning and controlling the production operations
- Carrying out repair and maintenance works
- Ensuring inventory control
- Ensuring quality control

I.4.2.Marketing : Under the marketing function, managers need to identify consumers' needs and provide them the goods and services to satisfy their needs. The scope of the marketing function is quite wide and it includes various subordinate functions which are as follows:

- Carrying out marketing research to determine the exact needs and expectations of consumers
- Developing suitable products
- Setting prices
- Selecting marketing strategies
- Selecting appropriate marketing channels

I.4.3. Finance : Finance is an extremely important functional area of management and the main activity of finance is to ensure that there are sufficient funds in the organisation for carrying out different activities, such as procurement, working capital management, debt repayment, etc. In addition, the finance function involves determining financial strategies, such as expansion, diversification, joint ventures, mergers and acquisitions.

The three major subordinate functions of finance are as follows:

- Financial planning: This sub-function relates to decisions, such as raising funds, deciding about the amount to be raised and estimating the costs (interests) and risks associated with raising funds.
- Financial control: This sub-function involves monitoring the finance-related operations of an organisation.
- Financial decision-making: This sub-function relates to the use of funds that have been raised by the organisation.

I.4.4. Human Resource (HR) : The human resource function relates to the management of various aspects related to human resources such as:

- Taking care of employee compensation and benefits
- Maintaining employee database
- Planning the staff and workforce requirements
- Appraising employee performance and promotions
- Devising HR policies
- Taking care of recruitment, selection and training and development processes

I.4.5. Information Technology (IT)/Information and Communication Technology (ICT) : It involves managing information and communication technology tools and techniques that collect, organise, and distribute data for use in the organisation's decision-making purposes.

The significant aspects related to IT/ICT are as follows:

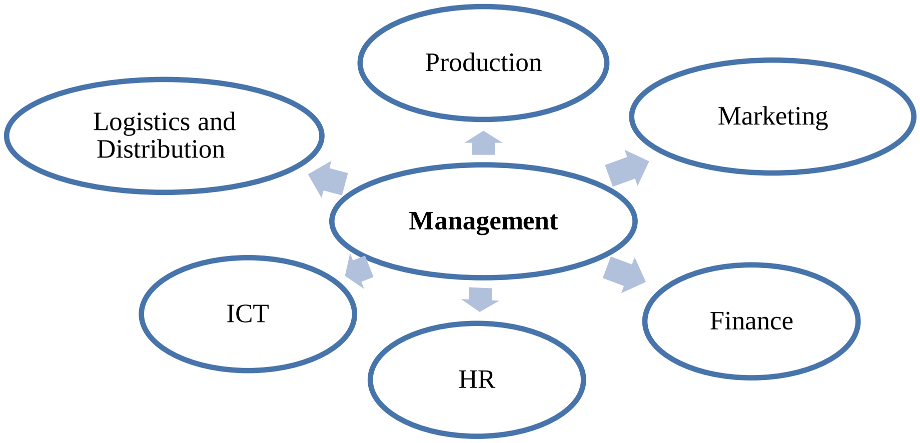
- It is committed to develop the organisation's hardware, software, and other computing and communicating technologies.
- It develops the organisation's management information system (MIS) tailored to the needs of the firm's units.
- It also encourages e-commerce through the use of the Internet.

I.4.6. Logistics and Distribution : In simple terms, logistics refers to the planning and controlling the movement of goods. Logistics and distribution functional area ensure that goods are delivered to the right place on time and in the right condition.

Some major aspects of logistics and distribution are as follows:

- Ensuring that the process of the finished goods leaving a factory and arriving at a store is predefined and hurdle free
- Ensuring the proper storage of goods before dispatch
- Ensuring that dispatched goods are firmly packed and appropriately labelled
- Ensuring the dispatch of goods at the right time
- Ensuring the completion of the delivery documents

Figure 3 : Functional Areas of Management



Source : Author's elaboration

I.5. Levels of Management

Management is typically structured into three main levels, each with distinct roles and responsibilities within an organization. These levels ensure that organizational goals are effectively planned, executed, and monitored.

I.5.1. Top-Level Management (Strategic Level)

Who? CEO, President, Vice Presidents, Board of Directors, General Managers
Role:

- Sets the vision, mission, and strategic goals of the organization.
- Makes high-level decisions that impact the entire company.
- Analyzes external market trends and ensures long-term sustainability.
- Allocates resources and oversees financial management.
- Represents the organization in external relations (e.g : investors, government).

I.5.2. Middle-Level Management (Tactical Level)

Who? Department Heads, Regional Managers, Division Managers, Plant Managers
Role:

- Implements the strategies set by top management.
- Acts as a bridge between top-level executives and lower-level employees.
- Manages multiple teams or departments to ensure operational efficiency.

- Provides guidance, motivation, and training to first-line managers.
- Ensures departmental objectives align with the organization's strategic goals.

I.5.3. First-Line Management (Operational Level)

Who? Supervisors, Team Leaders, Office Managers, Foremen

Role:

- Directly supervises employees and manages daily operations.
- Ensures tasks are completed efficiently and according to company policies.
- Provides feedback, motivation, and problem-solving support to workers.
- Reports operational issues and performance data to middle management.
- Focuses on short-term goals and operational execution.

Figure 4 : Levels of Management

Source : Author's elaboration

Management acts as a creative and life-giving force in the organization. Management by right men through right methods may give better results. It is properly said that business is built not by the technical ability of specialists but largely by good managers who can effectively utilize human skill, energy and efficiency for transforming resources with higher productivity.

SECTION II : THE PROCESS OF MANAGEMENT

Management is the process of planning, organizing, leading, and controlling resources to achieve organizational goals effectively and efficiently.

II.1. Planning :

Planning involves setting objectives (Establishing specific, measurable, achievable, relevant, and timebound-SMART objectives-), identifying strategies, and determining the resources needed to achieve organizational goals. It involves anticipating all possible future conditions and deciding the future course of action. In other words, planning involves setting future goals and objectives and devising the methods and means for achieving those objectives.

✔ **Example**: A company planning to expand its market presence by launching a new product line.

Planning is a fundamental function of management that helps organizations set objectives and determine the best ways to achieve them. There are four main types of planning : strategic, tactical, operational, and contingency planning, each serving a distinct purpose in guiding an organization toward its goals.

Figure 5 : Main types of planning

Strategic Planning (Long-term, High-level)	**Tactical Planning (Mid-term, Department-level)**	**Operational Planning (Short-term, Day-to-Day Activities)**	**Contingency Planning (Crisis & Risk Management)**
• It focuses on the long-term vision and overall direction of an organization. It defines where the company wants to be in the future and outlines the steps to get there.	• It focuses on breaking down strategic goals into specific actions for different departments. It serves as a bridge between strategic and operational planning.	• It focuses on the day-to-day activities and procedures required to keep an organization running smoothly. It ensures that tactical plans are executed efficiently	• It prepares an organization to handle unexpected events or emergencies that could disrupt operations. It focuses on risk assessment and creating alternative action plans.

Source : Author's elaboration

The four types of planning (strategic, tactical, operational, and contingency) work together to ensure organizational success. Strategic planning defines the vision, tactical planning breaks it down into departmental goals, operational planning focuses on daily execution, and contingency planning prepares for emergencies. When effectively applied, these planning methods help businesses remain competitive, adaptable, and well-prepared for future challenges.

II.2. Organizing

Organizing represents the second step in the management process and is critical for translating plans into actionable tasks. It involves systematically arranging tasks, resources, and personnel to ensure that organizational goals are achieved efficiently and effectively.

Effective organizing not only allocates resources appropriately but also establishes a framework within which work can be coordinated and monitored.Organizing can be divided into two major activities: (Griffin, 2020) (Robbins, S. P & Coulter, 2021)

- **Establishing an Organizational Structure:** This entails designing a formal framework that defines roles, responsibilities, authorities, and reporting relationships within the organization. An organizational structure clarifies how tasks are divided and coordinated, thereby enhancing communication, reducing ambiguity, and promoting accountability.
- **Arranging Resources:** Management must ensure that all necessary resources (human, material, financial, technological, and informational) are allocated effectively to support task execution. This includes assigning personnel to appropriate tasks, deploying machinery and technology, providing materials, determining workflows, and managing budgets. Proper resource arrangement ensures that work processes are smooth, reduces bottlenecks, and supports the attainment of organizational objectives.

Organizing serves as the backbone of effective management because it converts strategic plans into operational actions. Without a clear structure and optimal resource allocation, even well-formulated plans may fail due to confusion, redundancy, or inefficient use of resources (Mintzberg, 2018). By combining structure with resource management, organizing ensures that employees understand their roles, know whom to report to, and can collaborate efficiently to achieve collective goals.

✔ **Example**: A company planning to launch a new product may organize by creating a dedicated project team, defining team member responsibilities, assigning tasks such as marketing research, product design, and production, and establishing reporting channels to monitor progress.

II.3. Leading/ Commanding

Leading, also referred to as commanding or directing, is a critical function in the management process that involves guiding, motivating, and influencing employees to accomplish organizational goals effectively. Once managers have established objectives, designed the organizational structure, recruited personnel, and provided necessary training, the focus shifts to directing employees and facilitating coordination to ensure tasks are completed on time and according to plan.

According to (Fayol, 1916), effective leading requires that employees clearly understand their roles, responsibilities, and the expectations placed upon them. It emphasizes the proper exercise of authority, the delegation of responsibilities, and adherence to the chain of command. By maintaining clarity in roles and responsibilities, managers can prevent confusion, enhance efficiency, and ensure that organizational activities are aligned with strategic objectives.

Leading also involves motivation and influence, as employees perform better when they are inspired and guided in a supportive environment. Managers employ various motivational strategies, including recognition, feedback, rewards, and participative decision-making, to foster commitment and engagement. (Robben, Coulter, Decenzo, Ne, Gabilliet, & Clements, 2018)

Effective leadership ensures that the workforce is not only informed about organizational goals but also encouraged to contribute creatively and collaboratively to their achievement.

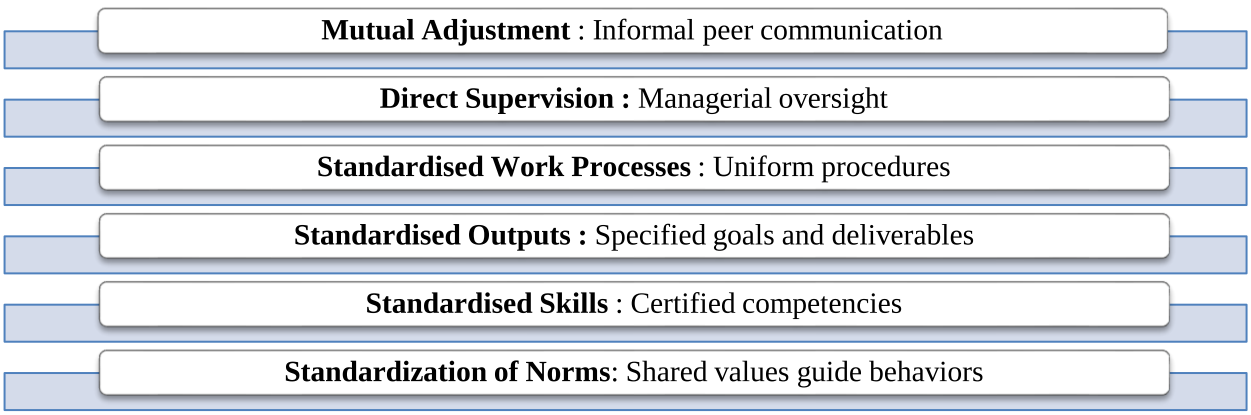
Moreover, leading facilitates coordination among employees and departments, ensuring that interdependent tasks are performed in harmony and timelines are respected. This function transforms the plans and organizational structures into tangible results by orchestrating human efforts toward common objectives. The quality of leadership directly impacts organizational performance, employee satisfaction, and overall operational success. (Griffin, 2020)

✔ **Example**: In a manufacturing firm, a manager may lead by providing clear instructions to production teams, motivating employees through recognition and incentives, resolving conflicts, and coordinating activities across departments such as procurement, production, and quality control to ensure timely product delivery.

II.4. Coordinating

Coordinating : Ensuring harmony across departments. Coordination aligns diverse organisational activities. Effective coordination can be enhanced through horizontal or vertical flows, and by integrating collaborative digital platforms. (MINTZBERG, 1979) identified Six coordination mechanisms:

Figure 6 : Coordination mechanisms



Source : Adapted from (MINTZBERG, 1979)

✔ **Example**: In a software development company, a project manager is responsible for coordinating a team working on a new mobile application. The team includes developers, designers, testers, and marketing staff. Coordinating involves aligning the efforts of all team members so that tasks are completed in the correct sequence and deadlines are met.

II.5. Controlling

Controlling is a fundamental management function that ensures organizational activities are aligned with established plans and objectives. It involves systematically monitoring progress, comparing actual performance with predefined standards, and taking corrective actions when deviations occur. (Koontz & Weihrich, 2019). By maintaining control over operations, managers can ensure that resources are used efficiently, objectives are achieved, and organizational performance is optimized.This function involves ensuring that work is performed as per the plans developed and instructions issued. The controlling function includes three main activities, which are:

- Establishing the required performance standards
- Assessing the current performance level and comparing it with the established standards
- Take corrective actions in case the actual performance deviates from the established standards.

✔ **Example**: Analyzing sales figures against quarterly targets and adjusting marketing strategies accordingly.

Figure 7 : Management process

Source : Author's elaboration

The management process provides a systematic framework that helps organizations plan, organize, lead, coordinate and control their resources. Through the coordinated execution of activities and decisions, it ensures that organizational objectives are met efficiently while adapting to evolving circumstances.

SECTION III : PUBLIC MANAGEMENT Vs PRIVATE MANAGEMENT

An organization can be defined as a group of individuals working together to achieve a common goal. This goal can be commercial, such as the production and sale of goods or services, or non-profit-oriented, such as the provision of healthcare or education services.

An organization can be defined as a group of individuals working together to achieve a common goal. This goal can be commercial, such as the production and sale of goods or services, or non-profit-oriented, such as the provision of healthcare or education services. (Daft L. , 2021)

Public management refers to the administration and operation of government agencies, while private management pertains to the management of businesses owned by individuals or entities other than the government.

III.1. Definition and role of Private management :

Private management primarily applies to private companies, which engage in the production of goods and services in a competitive environment. It is based on private initiative, entrepreneurship, and the pursuit of profit, which compensates for the inherent risk of entrepreneurship.

III.1.1. Definition

Private management refers to the administration and coordination of business activities within privately owned enterprises. It involves strategic planning, resource allocation, decision-making, and performance monitoring to achieve organizational goals (Drucker , 1999) . Unlike public management, which operates within government institutions, private management focuses on maximizing efficiency, profitability, and competitiveness in the private sector (Koontz & Weihrich, 2019)

III.1.2. Role of Private Management:

Its role is to optimize and maximize resources through setting objectives and adapting to its environment, while integrating its stakeholders. It includes a technical dimension (mainly related to cost accounting and management control methods aimed at optimizing resources) and a human dimension (related to the need to secure motivation and cooperation among the organization's members). (Porter, 1985) (Brigham & Ehrhardt, 2017) (Schumpeter, 1942)

- **Strategic Decision-Making:** Setting long-term business strategies, analyzing market trends, identifying opportunities, and mitigating risks to achieve sustainable growth and competitive advantage.
- **Resource Optimization:** Efficient allocation of financial, human, and technological resources to enhance productivity and profitability.
- **Innovation and Competitiveness:** Fostering innovation through research and development, creating new products, services, and business models to strengthen market position.
- **Customer Satisfaction and Market Responsiveness:** Meeting consumer needs with quality products and services, improving brand loyalty, and adapting to changing market demands.
- **Employee Development and Motivation:** Implementing leadership strategies, training programs, and performance-based incentives to foster engagement, retention, and productivity.
- **Financial Growth and Profit Maximization:** Ensuring financial stability and long-term profitability through budgeting, investment, and revenue-generation strategies.
- **Risk Management and Sustainability:** Minimizing operational, financial, and market risks while promoting sustainable business practices.

III.2. Definition and role of Public management :

Public management applies to the governance of public organizations (the state, administrations, public enterprises, local governments). Public management emerged in the 1990s, when most Western countries embarked on reforming their public actions (addressing budget deficits, streamlining public spending, etc.).

III.2.1. Definition

Public management refers to the administration, organization, and execution of policies and programs within governmental and public sector institutions. It focuses on delivering public services efficiently, ensuring accountability, and addressing societal needs through governance framewor. Unlike private management, which prioritizes profit maximization, public management emphasizes public welfare, equity, and regulatory compliance (Hood , 1991)

II.2.2. Role of Public Management

- **Policy Implementation and Governance:** Public management ensures that government policies and programs are effectively executed to serve citizens' needs. It plays a crucial role in shaping economic, social, and legal frameworks.
- **Efficient Resource Allocation:** Public sector managers oversee budget planning and resource distribution to maximize service delivery and minimize waste.
- **Accountability and Transparency:** Public management promotes ethical governance, regulatory compliance, and transparency in decision-making, strengthening public trust.
- **Public Service Delivery:** Public managers coordinate healthcare, education, infrastructure, and social welfare programs to enhance quality of life and economic development.
- **Promoting Social Equity and Inclusion:** Public management ensures equal access to opportunities and services, addressing social disparities and promoting fairness in governance.

This management approach introduced a culture of objective-setting, which involves measuring the effectiveness of actions and user satisfaction, along with more regular oversight rather than retrospective evaluation. In principle, the context, expectations, and goals of public organizations differ and require adapting private management methods to the public sector. However, a blending of public and private management methods has been observed (such as performance-based pay rather than seniority-based pay, resource allocation, etc.).

III.3.Distinction between Public Management and Private Management

Public and private management operate under different principles, objectives, and constraints. While both aim to ensure efficiency and effectiveness, they differ in terms of purpose, stakeholders, funding, decision-making processes, and operational structures. Below is a detailed comparison :

III.3.1. Definition and Purpose

- **Public Management** refers to the administration and implementation of government policies and programs, focusing on public service delivery, equity, and social welfare (Osborne & Gaebler, 1992). It aims to serve the collective interests of citizens and ensure efficient governance.

- **Private Management** involves overseeing business operations within privately-owned organizations, prioritizing efficiency, profit maximization, and market competitiveness (Drucker, 1974) .It focuses on achieving business growth, customer satisfaction, and financial sustainability.

III.3.2. Objectives and Performance Metrics

- **Public Sector:** The primary goal is to provide public goods and services that contribute to social well-being, ensuring fairness, accessibility, and efficiency. Performance is evaluated based on policy effectiveness, service quality, and public satisfaction. (Hood , 1991) For instance, a public transportation system is assessed based on affordability, accessibility, and reliability rather than revenue generation.
- **Private Sector:** The focus is on financial performance, profitability, and market expansion. (Porter, 1985) Success is measured through revenue growth, return on investment (ROI), and customer retention. A private company in the retail sector, for example, evaluates performance based on sales figures, profit margins, and customer feedback.

III.3.3. Decision-Making

- **Public Management:** Operates under legal and political frameworks, requiring bureaucratic oversight and public accountability. (Peters & Pierre, 2016) Decision-making is influenced by government regulations, political considerations, and stakeholder interests. For example, the implementation of healthcare policies requires coordination with government agencies, legislative bodies, and citizen groups.
- **Private Management:** Decisions are made by executives and shareholders, emphasizing strategic planning and market adaptability (Mintzberg, 2018). Corporate governance structures allow for flexible and rapid decision-making. A technology company, for instance, can swiftly adjust its product offerings based on market demand without political constraints.

III.3.4. Funding and Resource Allocation

- **Public Sector:** Funded through taxes, grants, and government budgets, often facing financial constraints and bureaucratic limitations (Moynihan & Pandey, 2010) .Budget allocations must adhere to government priorities, which may limit spending flexibility.

Public universities, for example, rely on state funding and grants, making financial planning subject to political decision-making.

- **Private Sector:** Operates through private investments, sales, and capital markets, allowing for greater financial autonomy and resource allocation flexibility (Brigham & Ehrhardt, 2017).A multinational corporation can raise capital through stock offerings or venture capital to expand operations globally.

III.3.5. Accountability and Transparency

- **Public Management:** High accountability to citizens, legislative bodies, and regulatory agencies. (Hood , 1991) Transparency is essential to maintain public trust and prevent corruption. Government agencies must disclose budgets, policies, and performance reports to the public.
- **Private Management:** Primarily accountable to shareholders and investors, with legal obligations to regulatory authorities but more discretion in internal governance (Frederickson , 1990) .A corporation's annual financial statements must comply with financial regulations, but internal decisions, such as pricing strategies, remain confidential.

III.3.6. Innovation and Risk Management

- **Public Sector:** More risk-averse due to public scrutiny and regulatory constraints, often slower in adopting innovation . (Denhardt & Denhardt, 2000) Governments must ensure new initiatives do not jeopardize public welfare. For example, the adoption of digital government services requires extensive security measures and legal compliance.
- **Private Sector:** Encourages innovation, competition, and risk-taking to gain a competitive advantage . (Schumpeter, 1942) Startups in the tech industry, for instance, rapidly develop and test new products, embracing calculated risks to disrupt markets.

III.3.7. Employee Motivation and Management Style

- **Public Management:** Employee motivation is often driven by job security, public service commitment, and long-term career stability. Performance-based incentives are limited due to budget constraints and standardized pay scales. Civil servants, for example, are motivated by career progression rather than financial bonuses.

- **Private Management:** Employees are motivated by performance-based incentives, career growth opportunities, and competitive salaries. Companies use stock options, bonuses, and merit-based promotions to enhance productivity. A sales executive in a private firm, for instance, may receive bonuses based on quarterly targets.

III.3.8. Stakeholders

- **Public Management:** Serves citizens, taxpayers, and interest groups, ensuring public service accessibility and equity. It is held accountable by government bodies and the general public, making transparency and responsiveness critical.
- **Private Management:** Focuses on owners, shareholders, customers, employees, and suppliers. Success depends on customer satisfaction, investor expectations, and competitive positioning. Stakeholder relationships in the private sector are often driven by profitability and market share growth.

Table 1 : Public Management Vs Private Management

	PUBLIC MANAGEMENT	**PRIVATE MANAGEMENT**
Purpose and Mission	Serve the public interest, addressing societal needs and priorities.	Generate profits for owners or shareholders.
	Deliver public services, regulate industries, and promote the well-being of the community.	Maximize shareholder value, offer products or services to meet market demands.
Stakeholders	Citizens, taxpayers, interest groups, and the public at large.	Owners, shareholders, customers, employees, and suppliers.
Funding and Resources	Derived from taxes, grants, and government appropriations.	Derived from revenues generated through business operations.
	Governed by budgetary constraints and political decisions..	Dependent on market performance and profitability.
Decision-Making	Often involves bureaucratic procedures, public hearings, and adherence to legal and regulatory frameworks.	Usually faster and more streamlined, driven by market dynamics and internal business strategies.

Source : Author's elaboration

While both public and private management share core managerial functions, they differ significantly in objectives, governance structures, decision-making processes, and performance measurement. Public management emphasizes societal impact, accountability, and regulatory compliance, whereas private management prioritizes efficiency, profitability, and competitiveness. Understanding these distinctions is essential for effective policy-making, economic development, and strategic management.

Understanding the distinctions between public and private management is crucial for individuals pursuing careers in both sectors and for citizens seeking to comprehend how government and private enterprises operate.

Public and private management serve distinct functions but also share some similarities, such as the need for strategic planning, leadership, and efficiency. While public management emphasizes service delivery and societal well-being, private management prioritizes financial growth and competitive advantage. Both sectors require adaptability and effective resource management to achieve their respective goals.

The first chapter of *Introduction to Organizational Management* provides a foundational understanding of how organizations function and are managed. It highlights the key concepts of management, including planning, organizing, leading, and controlling, while emphasizing the dynamic and interdependent nature of organizational components. By examining the roles, structures, and processes within organizations, this chapter equips students with the essential knowledge to analyze and improve organizational performance, preparing them for more advanced management studies.

CHAPTER 02:

VARIOUS APPROCHES TO MANAGEMENT

The notion of organization is one of the most complex to define, and many of the definitions provided are often subject to criticism. For the purpose of this discussion, we will adopt the following definition: "Organizations are social systems created by individuals to meet certain needs and achieve specific goals through coordinated actions."

The objective of this chapter is to highlight the main theories that have placed "organization" at the center of their research and analysis. The primary aim of these organizational theories is to decipher how organizations function to enhance our understanding of them. Given the vastness of this subject, scholars tend to focus on specific aspects of organizations rather than adopting a comprehensive approach, which is challenging due to the complexity of the phenomenon being studied.

Chapter plan :

Section I : The classical school ;

Section II : The human ressources school.

Section III : The Systems Approach To Organisations And The Contingency School

SECTION I : THE CLASSICAL SCHOOL

Among the key pioneers of organizational theory are the French scholar Henri Fayol, the American engineer Frederick Winslow Taylor, and the German sociologist Max Weber. These three thinkers are considered the founders of what is commonly referred to as the "Classical School of Management," and their ideas have had a profound influence on modern business practices.

Fayol primarily focused on the principles of business administration and laid the foundation for administrative theory. Taylor, on the other hand, concentrated on the organization of production workshops, leading to the development of "Taylorism" or "Scientific Management." Meanwhile, Weber advocated for a bureaucratic structure in organizations, believing that bureaucracy was the key to organizational efficiency.

Despite their differing perspectives, these classical theorists shared a common approach to organizational analysis: the pursuit of rationality. This rationality was expressed in different ways:

- **Productive Rationality:** Taylor’s emphasis on efficiency in production.
- **Administrative Rationality:** Fayol’s focus on management principles.
- **Structural Rationality:** Weber’s advocacy for bureaucratic organization.

I.1. Scientific Management

At the core of scientific management, Taylor argued that workplace decisions should rely on scientific analysis rather than intuition, with the goal of eliminating inefficiency ; the “greatest evil of the century.” His approach focused on task optimization through systematic study and standardization.

Taylor’s contributions can be summarized in four key principles (Taylor, 1911) :

- **Horizontal Division of Labor :** Fragmenting tasks into specialized components, supported by time and motion studies, to maximize efficiency.
- **Vertical Division of Labor** : Distinguishing between managerial planning/supervision and workers’ task execution, reinforcing hierarchical structures.

- **Scientific Selection and Training** : Matching workers to suitable tasks through rigorous selection, training, and coaching, forming the basis of modern HR practices.
- **Strict Control Systems :** Implementing supervision and monitoring to ensure adherence to standardized methods and consistent performance.

Taylor's philosophy was rooted in the belief that the production process could be systematically organized and optimized to achieve maximum efficiency. His approach to scientific management revolved around four key elements:

- **Active Managerial Involvement:** Managers must not remain detached from employees' working conditions. They should design and implement methods that enhance productivity and ensure adherence to these methods.
- **Work Rationalization:** The introduction of scientific management in workshops should replace inefficient empirical methods. This involves measuring the time required for each task through work content analysis, motion studies, and execution time evaluations.
- **Strict Control Systems:** A highly disciplined monitoring system should ensure that employees consistently follow the prescribed methods within the allocated time frame.
- **Incentive-Based Compensation (Piece-Rate System):** Taylor introduced a performance-based wage system where workers receive a fixed salary along with a variable incentive based on the number of units produced beyond a predetermined daily threshold. This system was designed to motivate workers to increase their output.

The implementation of scientific management principles led to the creation of specialized "methods offices" in enterprises. These offices were responsible for analyzing workers' movements, fatigue, and recovery times to define optimal working conditions and improve efficiency.

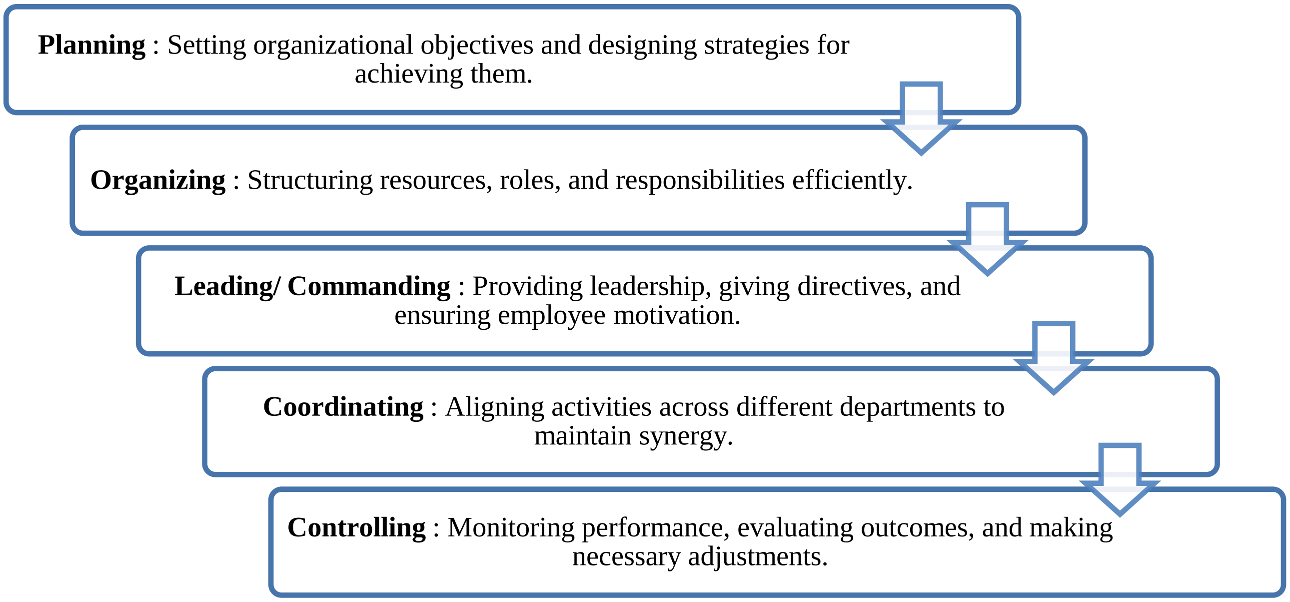
I.2. Administrative Approach

(Fayol, 1916) advanced classical management theory by proposing a top-down administrative approach centered on organisational structure and leadership. Unlike Taylor, who emphasized efficiency at the operational level through time and motion studies, Fayol focused on executive functions and corporate management. His principles, derived from personal experience as a general director, provided practical guidance for managers rather than quantitative analysis. (Wren & Bedeian, 2009)

Fayol classified business activities into six categories: (Fayol, 1916)

- **Technical Function** : This function pertains to the core production processes within an organization, including manufacturing, processing, and transformation of raw materials into finished goods. It ensures that goods and services are created efficiently while maintaining quality standards
- **Commercial Function** : The commercial function encompasses purchasing, selling, and trading activities. It involves supply chain management, market analysis, customer relationships, and distribution networks to maintain the organization's competitiveness in the market.
- **Financial Function** : This function is concerned with capital acquisition and resource allocation to ensure the financial stability and profitability of the organization. It includes budgeting, financial forecasting, investment decisions, and risk management.
- **Security Function** : The security function focuses on safeguarding people and assets from potential threats, including workplace hazards, theft, and external risks. It encompasses risk assessment, compliance with safety regulations, and cybersecurity measures in modern organizations.
- **Accounting Function** : Accounting is critical for financial transparency and decision-making. It involves inventory management, financial reporting, balance sheet analysis, cost accounting, and tax compliance to provide accurate financial insights for managers and stakeholders.
- **Administrative Function** : Fayol's most significant contribution to management theory lies in the administrative function, which includes five key managerial activities: (Fayol, 1916)

Figure 8 : Management process



Source : Author's elaboration

Fayol's principles remain influential in modern management theory, forming the foundation of contemporary organizational behavior, strategic management, and corporate governance. His administrative approach highlights the significance of managerial skills, leadership, and organizational planning, distinguishing it from Taylor's task-focused efficiency model

Henri Fayol identified 14 principles of management (ranging from division of work, authority and responsibility, discipline, unity of command and direction, to fairness, stability, and team spirit) that should be applied flexibly according to an organisation's context. These principles emphasized efficiency, justice, order, and cooperation while legitimizing the role of managers in planning, coordinating, and controlling activities. Fayol's contribution provided a structured foundation for modern management practice at a time when formal management education was still emerging.

I.3. Weberian Bureaucracy

Max Weber, a founding figure of sociology, made a major contribution to organizational theory through his concept of bureaucratic management. In *Economy and Society* (1922), he analyzed authority and introduced bureaucracy as an ideal structure defined by hierarchy, rules, and rational-legal authority. Unlike Taylor and Fayol, Weber emphasized efficiency, predictability, and fairness based on established laws and procedures rather than personal influence. His work highlighted rationalization (using calculation, rules, and formal procedures to ensure resource efficiency) thus shaping modern views of organizational order and administrative management.

Weber's bureaucratic model is structured around six fundamental principles that define its operational and administrative framework (Weber, 1947) :

Weber's bureaucratic management highlights six core principles that ensure order, efficiency, and fairness in large organizations. A formal hierarchical structure establishes a clear chain of command, while division of labor and specialization allocate tasks based on expertise to maximize productivity. Standardized rules and regulations promote consistency and legal compliance, and impersonality ensures decisions are objective and free from favoritism. Furthermore, promotion and compensation are based on merit and qualifications, and career orientation with job security provides stability, encouraging employee commitment and long-term expertise. Together, these principles laid the foundation for modern administrative systems in both public and private sectors.

While bureaucracy ensures efficiency, predictability, and fairness, it has also been criticized for rigidity and inefficiency in dynamic environments (Perrow, 1986).Some key advantages and challenges include:

- Efficiency : Clearly defined rules and responsibilities streamline operations.
- Accountability : Hierarchical structure ensures clear reporting lines.
- Equity and Fairness : Impersonal decision-making reduces bias.
- Expertise Development : Specialization improves skills and efficiency.

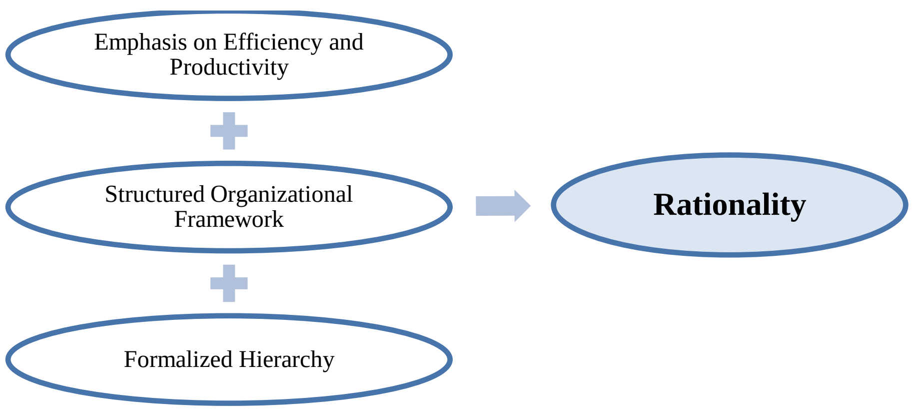
Despite criticisms, Weber's bureaucratic principles remain highly relevant in government agencies, multinational corporations, healthcare systems, and educational institutions. Contemporary management theories, such as New Public Management (NPM) and Agile Organizations, have attempted to modify bureaucracy by introducing flexibility, decentralization, and digital governance .However, core bureaucratic principles such as hierarchical accountability, formalized procedures, and meritocracy continue to shape modern administrative systems. (Pollitt & Bouckaert, 2017)

The principles of bureaucratic organization remain widely applied today, especially in institutions such as the military, municipalities, hospitals, schools, and universities. These organizations depend on bureaucracy because their success relies on efficiently managing vast workloads, which is possible only when employees follow established rules and procedures.

I.4. Critical Analysis of the Classical School of Management

The Classical School of Management emerged in the late 19th and early 20th centuries as a response to industrialization and the need for more structured and efficient management practices. It consists of three main approaches: **Scientific Management (Frederick Taylor), Administrative Theory (Henri Fayol), and Bureaucratic Management (Max Weber).** While these theories provided a strong foundation for modern management practices, they have also faced considerable criticism over time.

Figure 9 : Contributions of Classical School to the field of management



Source : Author's elaboration

The Classical School made significant contributions to the field of management, including:

- **Emphasis on Efficiency and Productivity**: Taylor's Scientific Management sought to optimize labor productivity through time and motion studies, leading to standardized work processes and specialization (Taylor, 1911).
- **Structured Organizational Framework:** Fayol's Administrative Theory introduced principles of management such as planning, organizing, commanding, coordinating, and controlling. (Fayol, 1949). These principles remain relevant in management practices today.

- **Formalized Hierarchy and Rational Decision-Making**: Weber's Bureaucratic Management emphasized a structured hierarchy, clear roles, and rule-based decision-making to ensure efficiency and fairness (Weber, 1947)

Despite its contributions, the Classical School has been widely criticized for several reasons:

The Classical School has been widely criticized for its mechanistic and rigid view of organizations, treating employees as machine-like components while neglecting human emotions and social needs. It also overlooked human motivation, assuming workers were driven mainly by financial incentives, whereas later theories highlighted recognition, satisfaction, and growth as key motivators. Moreover, its overemphasis on hierarchy and bureaucracy often resulted in rigidity and inefficiency, limiting adaptability in dynamic environments where flexibility is crucial. Finally, the school raised ethical and social concerns, as its focus on efficiency frequently compromised worker well-being, prompting modern approaches to integrate corporate social responsibility and employee welfare.

The Classical School of Management laid the groundwork for modern management theory by introducing structured, systematic approaches to efficiency and organizational design. However, its rigid, mechanistic, and overly hierarchical focus has been challenged by later developments in human relations, contingency management, and organizational behavior.

SECTION II : THE HUMAN RELATIONS SCHOOL

The Human Relations School emerged as a reaction to the excesses of Taylorism, which, in its relentless pursuit of productivity, led to behaviors that ultimately contradicted its original objectives. While this school implicitly maintains the same strategic vision as the Classical School (seeking to establish a universal framework for analysis) it introduces a crucial new dimension: the recognition of human beings as individuals and as members of a group.

II.1. E.Mayo experiences

II.1.1.Hawthorne Experiments (1924–1933)

- First series (1924–1927):
  - Focus: Impact of lighting on productivity.
  - Findings: Productivity increased in both experimental and control groups, even when lighting was reduced.
  - Conclusion: Productivity improved because workers felt observed → Hawthorne Effect.
- Second series (1927–1933):
  - Focus: Effects of fatigue, wages, and breaks on productivity.
  - Findings: Productivity rose even when wages were cut.
  - Conclusion: Social relationships and group belonging were stronger motivators than financial incentives.

II.1.2. Key Principles of Mayo’s Human Relations Approach

- **Importance of Social Relations:** Productivity influenced by teamwork, belonging, and recognition, not only by wages.
- **Psychological & Emotional Factors:** Morale, well-being, and supportive environments boost performance.
- **Hawthorne Effect:** Workers improve when they feel observed, valued, and supported by supervisors.
- **Participatory Management:** Employee involvement in decisions increases satisfaction and reduces resistance to change.

- **Leadership & Communication:** Effective management requires empathy, open communication, and democratic leadership styles.

II.1.3. Core Conclusions

- Productivity depends more on psychosocial factors than on material conditions.
- Positive social environment (cohesion, informal networks) enhances performance.
- Supervisor–employee relationships based on support and communication are critical.
- Non-economic rewards (recognition, appreciation, job satisfaction) matter more than wages alone.
- Work output is shaped by social capacity and group belonging, not just individual physical ability.
- Organizations consist of both formal structures and informal groups that strongly influence behavior.

One of Mayo's key conclusions was that the amount of work completed by an individual is not dictated by physical capacity but by *social capacity*, their integration within a group. Employees do not act solely as individuals but as members of a social unit. Beyond the formal organization, an informal organization exists, driven by emotions, relationships, and a sense of belonging.

II.2. Maslow and the Hierarchy of Needs

Maslow developed a motivation theory based on the hierarchy of human needs. This approach can be summarized in two main points:

- Human needs can be categorized into five hierarchical levels.
- An individual seeks to satisfy the most vital need first. Once this need is met, they focus on fulfilling the next most important need. Thus, when a need is satisfied, it ceases to be essential, and another need emerges, which persists until it is fulfilled.

Maslow's theory has major applications in organizational behavior and human resource management:

- Managers should identify employee needs and provide tailored incentives.
- Motivation is dynamic, meaning employees may shift between different levels.

- Financial incentives alone do not guarantee motivation; factors like workplace culture, career growth, and recognition are equally important.

Like Mayo's studies, this hierarchy of needs highlights the limitations of financial incentives and emphasizes the impact of job content, regardless of working conditions, in motivating employees.

II.3. The Work of K. Lewin

Lewin examined the influence of leadership on a group based on decision-making processes, task distribution, performance evaluation, and leader involvement. He identified three leadership styles: (Lewin, 1939)

- **Authoritarian Style** : The leader gives strict orders and imposes decisions while maintaining a distant relationship with the group.
- **Permissive Style** : The leader is minimally involved, contributing only the bare minimum, allowing group members to self-manage.
- **Democratic Style** : The leader actively participates in the group, encourages suggestions, fosters discussions, and promotes creativity.

Lewin found that groups led by democratic leaders displayed warm, friendly relationships and continued working even in the leader's absence, demonstrating independence. While their productivity was lower than authoritarian groups, the quality of work was higher. He concluded that participative management (democratic leadership) is more effective than traditional authoritarian methods in achieving high efficiency.

II.4. Works of R. Likert's Work:

According to Likert, integrated relationships where organizational interactions incorporate personal values are essential. Employees must feel important and necessary within a company, as effectiveness declines when individuals feel useless. He advocated for replacing competitive relationships with group-based collaboration throughout the organization.

Likert identified four management styles: (Likert, 1967)

Figure 10 : Management styles according to Likert

Exploitive Authoritarian Style : No trust in subordinates, control through sanctions and threats, centralized decision-making, and weak team spirit.

Benevolent Authoritarian Style : Motivation through rewards and punishments, limited decision-making at lower levels, and minimal teamwork.

Consultative Style : Subordinates are consulted but do not make decisions. Strategic decisions remain centralized, while operational decisions are delegated.

Participative Style : Absolute trust in employees, collective decision-making, and cooperative relationships within the organization.

Source : adapted from (Likert, 1967)

Rensis Likert's work laid the foundation for modern participative management and leadership theories. His emphasis on employee engagement, communication, and leadership effectiveness continues to shape management practices today.

II.5. Herzberg's Two-Factor Theory

Herzberg developed his theory based on a study in Pittsburgh. He argued that job satisfaction and dissatisfaction arise from different factors:

- **Hygiene Factors** : These reduce job dissatisfaction but do not increase motivation. Addressing them prevents dissatisfaction but does not encourage higher performance.
- **Motivational Factors** : These enhance job satisfaction and motivate employees to perform better. They are crucial for personal growth and fulfillment in the workplace.

Herzberg concluded that organizations must address both sets of needs (reducing dissatisfaction while fostering motivation) to optimize employee performance.

II.6. Douglas McGregor: Theory X and Theory Y

After managing a fuel distribution firm in Detroit, Douglas McGregor earned a Ph.D. in psychology at Harvard and became a professor of industrial management. He explored leadership roles and authored several books, including *The Human Side of Enterprise*, *Leadership and Motivation*, and *The Professional Manager*.

In *The Human Side of Enterprise*, McGregor described two contrasting views of subordinates that influence management behavior and motivation strategies:

Theory X (Classical School of Management) : Managers perceive employees negatively:

McGregor argued that Theory X leads to autocratic management.

Theory Y (Human Relations School) : Managers view employees positively:

Under Theory Y, managers adopt a democratic approach to leadership.

In conclusion, the second section of the Human Relations Approach highlights the central role of social and psychological factors in shaping organisational performance. It demonstrates that beyond formal structures and technical processes, employee motivation, communication, and group dynamics are decisive for productivity and satisfaction. By recognizing the human dimension, this approach paved the way for more participatory and people-centered management practices, establishing a foundation for modern theories of motivation and organizational behavior.

SECTION 03 : THE SYSTEMS APPROACH TO ORGANISATIONS AND THE CONTINGENCY SCHOOL

Organisational studies have moved beyond classical and human relations theories toward more flexible perspectives. The systems approach views organisations as interdependent elements interacting with their environment, while the contingency approach stresses that effective management depends on situational factors such as environment, technology, and structure.

III.1. Systems Approach

The systems approach, rooted in the general systems theory developed by Ludwig von Bertalanffy (1968), considers organisations as open, complex, and dynamic systems composed of interdependent and interactive sub-parts working toward common goals. This perspective emphasizes that in order to understand an organisation's functioning, one must analyse not only its internal components but also the interactions between these components and the external environment.

- **Open vs. Closed Systems**: Unlike closed systems, modern organisations are open, exchanging resources and adapting to external changes.
- **Efficiency vs. Effectiveness**: Beyond internal efficiency, organisations must ensure effectiveness by meeting external demands and societal expectations.
- **Entropy**: To prevent decline and disorder, organisations need feedback loops and adaptive strategies.
- **Subsystems**: Functional areas (e.g : finance, HR, production) must remain aligned, as dysfunction in one affects the whole.
- **Equifinality**: Organisations can achieve goals through diverse strategies and structures, highlighting flexibility and innovation.
- **Synergy**: Coordinated subsystems generate collective performance greater than the sum of individual contributions.

In summary**,** the systems approach emphasizes openness, adaptability, integration, and collaboration as key drivers of organisational sustainability and effectiveness.

These environmental factors shape organisational strategy and require continuous monitoring for effective adaptation (Mintzberg, Ahlstrand, & Lampel, 2005)

III.2. The Contingency School of Organisational Theory

The Contingency Approach rejects the idea of a single best organisational structure. Instead, it posits that the optimal organisational design depends on various internal and external factors (Donaldson, 2001)

III.2.1. External Contingency Factors

(Burns & Stalker, 1961): They classified organisations into:

- Mechanistic Structures: Suitable for stable environments; characterised by rigid hierarchies, formal rules, and centralized decision-making.
- Organic Structures: Adapted to dynamic environments; feature flexibility, decentralisation, and informal communication.

(Lawrence & Lorsch, 1967): They extended this model by arguing that high environmental uncertainty necessitates organisational differentiation and advanced coordination mechanisms. Firms operating in heterogeneous and rapidly changing environments need more flexible, adaptive structures.

III. 3.2. Internal Contingency Factors

- ➢ **Technology (Woodward, 1965):**Woodward identified that:
- Unit Production (custom products) supports informal, flexible structures.
- Mass Production requires formalised procedures.
- Continuous Process Production (e.g., chemical plants) demands highly automated, structured environments.
- ➢ **Size (MINTZBERG, 1979):** Larger organisations tend to be more bureaucratic, with formalised processes and hierarchical levels. Size increases complexity and necessitates coordination mechanisms.
- ➢ **Age (Greiner, 1972) :** As organisations grow, they move through developmental phases that require structural adjustments (e.g., from creativity to delegation). Each stage introduces new management challenges.

- **Strategy (Chandler, 1962):** According to Chandler's principle, "structure follows strategy." For example, firms that diversify their product lines must shift from functional to divisional structures to maintain effectiveness.

Both the systems approach and the contingency school offer valuable insights into organisational functioning. While the systems view underscores the interconnectedness and dynamic interaction between internal components and the external environment, the contingency perspective highlights the importance of fit between structure and situational variables. Together, they provide a holistic and adaptable framework for analysing and designing effective organisations in a complex and changing world.

CHAPTER 03 :

MANAGER Vs LEADER

Managers and leaders play crucial roles in any organization, but their approaches differ significantly. Managers focus on structure, processes, and efficiency, ensuring tasks are completed and goals are met. Leaders, on the other hand, inspire, motivate, and drive change by setting a vision and empowering others.

Leadership is an essential concept that permeates every aspect of human society. It is a driving force behind the success and progress of organizations, communities, and nations.

The effective leadership plays a pivotal role in shaping the direction, inspiring individuals, and driving collective action

Chapter plan:

Section I : Leadership and Management ;

Section II : Relationship between manager and leader.

SECTION I : LEADERSHIP AND MANAGEMENT

The terms leadership and management are used interchangeably, but they aren't the same concept. Leadership roles involve creating and articulating a vision and inspiring others to want to work toward that vision. But leaders might not be skilled at or involved with the day-to-day management of the work needed to turn that vision into a reality.

While management is about maintaining order, leadership is about innovation and influence. Both are essential for organizational success, and the best professionals know when to manage and when to lead. This course will explore these differences and help you develop the skills to be both an effective manager and leader.

I.1. Definition of leadership /Leader:

Actually, leadership is a necessary skill for any professional who wants to shine and who wants to succeed in their projects", we cannot ignore to develop our leadership, but in this case we must accept that our career and our success are not the same. (BELTRAN, 2021)

Leadership can be considered as a process of influencing or the impact of the leader behaviour for his collaborators, this influence between leader-collaborator remains a particular context characterised by situational factors (EL MAHI & SLAOUI, 2023) . Leaders occupy a position of influence on the ground either at the tactical or strategic level that allow them to influence work teams (Yukl, 2002), through coaching, constructive feedback, support and assistance. The leader's goal is always to achieve these goals by other people with the best possible performance. (GUEDJGHOUDJ, 2012)

Leadership involves the process of influencing subordinates to achieve goals through adherence to ethical behaviours, encouraging and supporting these practices among subordinates (GHONAIM, 2020)and motivating them to participate more in the decision-making process. (KAOUDA & SALAMI, 2020) The degree of influence varies depending on the individual leadership style, which stems from the leader's personal characteristics and the prevailing culture within the company. (KAJTA MIHLIK, LIPICNIK, & TEKAVCIC, 2010)
Leadership is the ability and process of influencing, guiding, or inspiring a group of individuals or an organization to achieve a common goal or vision. It involves setting a direction, making decisions, and motivating and empowering others to work together towards a shared objective.

Effective leadership often encompasses qualities such as vision, communication, decision-making and the capacity to lead by example.

Leadership can be found in various contexts, including business, politics, sports, and community organizations, and it plays a crucial role in shaping the direction and success of these entities.

I.2. Importance of leadership :

Leadership is a cornerstone of organizational success, shaping vision, strategy, and workplace culture. Effective leadership provides direction, inspires teams, and drives innovation, ensuring that businesses remain competitive in an ever-changing environment. Strong leaders make critical decisions, foster collaboration, and create a positive work atmosphere that enhances productivity and employee engagement. Whether guiding a company through growth or navigating challenges, leadership plays a vital role in achieving long-term success and sustainability.

- **The Crucial Role of Leadership in Business Success**

Leadership plays a fundamental role in shaping the success and strategic direction of a business. Beyond merely overseeing operations, effective leaders set the tone for an organization’s culture, inspire their teams, and navigate challenges with resilience and vision . Organizations rely on strong leadership to articulate a clear mission, define a compelling vision, and establish achievable goals. (Mintzberg, 1973) highlighted that leaders must balance multiple roles, including figurehead, negotiator, and liaison, to ensure strategic coherence within an organization. Additionally, (Porter, 1985)argued that leadership plays a critical role in sustaining competitive advantage by making strategic choices that align with the company’s strengths and market opportunities.

- **The Role of Leaders in Decision-Making and Problem-Solving**

One of the defining characteristics of effective leadership is the ability to make difficult decisions that influence the growth and sustainability of a business. In a dynamic and competitive environment, businesses often face complex challenges that require strategic thinking and decisive action. Leaders with strong competencies and emotional intelligence play a pivotal role in making these tough calls, balancing data-driven decision-making with empathy and foresight. (Yukl, 2002)

(Mintzberg, 1973) identified key managerial roles that leaders play, including interpersonal, informational, and decisional roles, all of which contribute to effective problem-solving. Such an environment not only enhances job satisfaction but also makes the organization more attractive to top talent, reinforcing a cycle of continuous improvement and innovation.

- **Leadership as a Driver of Innovation and Competitive Advantage**

In today's fast-paced business landscape, strong leadership is a key determinant of an organization's long-term competitiveness. The most successful leaders are not only skilled managers but also visionaries who anticipate industry shifts and proactively adapt to change. They encourage creativity, foster an open culture where new ideas are welcomed, and actively seek out innovative thinkers within and beyond their organization. By cultivating a culture of innovation, leaders help businesses stay ahead of competitors, embrace emerging technologies, and develop forward-thinking strategies. (Porter, 1985)

Ultimately, leadership is far more than just a role, it is a responsibility that directly impacts an organization's direction, culture, and long-term success. Great leaders inspire, innovate, and make tough decisions that propel businesses forward. In an ever-evolving business landscape, organizations that prioritize strong leadership will not only survive but thrive, setting the stage for sustainable growth and continued excellence.

I.3. Relationship Between Leadership and Management

From the comparison between management and leadership, it emerges that the latter is any attempt to influence the behavior of another person or group. Leadership refers to situations where one works with others. It involves accomplishing tasks and achieving goals through the efforts of others. Effective leaders make things happen. They do not sit back and observe, waiting to react to events. They know what should happen, anticipate a way to make it happen, and take action accordingly. On the other hand, management consists of working with and through others to achieve organizational goals. This applies not only to business but to all forms of organizations: family, community life, friendships, or social clubs. Regardless of the context, management involves working with others to achieve organizational objectives.

(Fayol, 1916) identified management as a structured function that involves key administrative activities, whereas leadership is more fluid and people-centered. According to (Mintzberg, 1973), managers often take on leadership roles when motivating employees and fostering a positive work environment, highlighting the overlap between these two domains.

Leaders set direction and inspire, while managers ensure that operational structures and processes function efficiently. Porter (1985) reinforced this view by emphasizing the role of strategic leadership in ensuring that management decisions align with competitive market dynamics.

Leadership is a broader concept than management. When attempting to influence others, one may have a variety of objectives in mind. Management, in fact, is a particular form of leadership that considers an organization's goals. Leadership itself can be used for any purpose.

SECTION II : RELATIONSHIP BETWEEN A MANAGER AND A LEADER

The management is exercised by the manager who is responsible for achieving objectives and improving the company's performance.

II.1. Manager

The manager emphasizes the importance of all components of the work environment, including material, human, and financial resources, which make the company more profitable and effective in its field of activity.

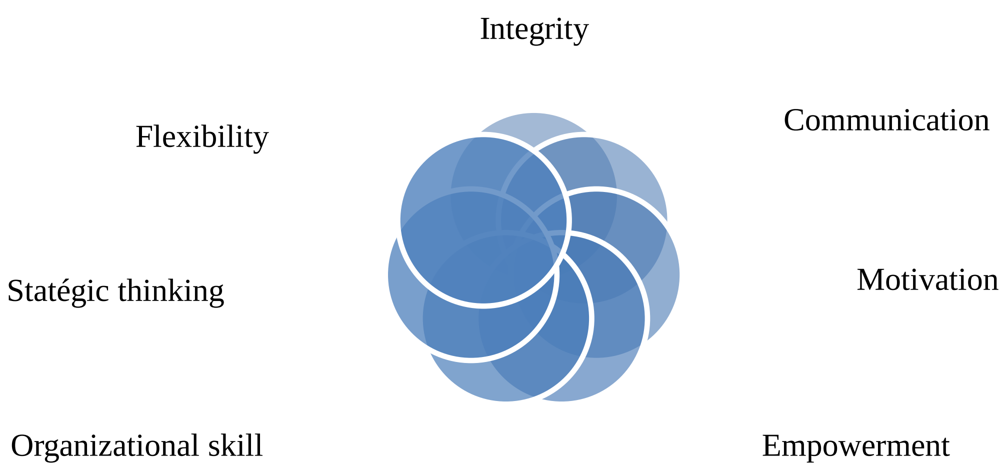
II.1.1. Definition of Manager:

A manager is a person to whom the responsibility of leading and directing an organization or a part of it. The goal is to achieve results in line with the interests of the organization, and they have decision-making power regarding the means to be implemented. This involves utilizing the resources (financial, human, and material) at their disposal to the best possible extent.

A manager is a person appointed by the management to lead a unit, service, or work team and realize a set of tasks under their responsibility. Their authority is linked to this hierarchical position, making it a formal authority.

II.1.2. Characteristics of the manager

Figure 11 : Characteristics of the manager

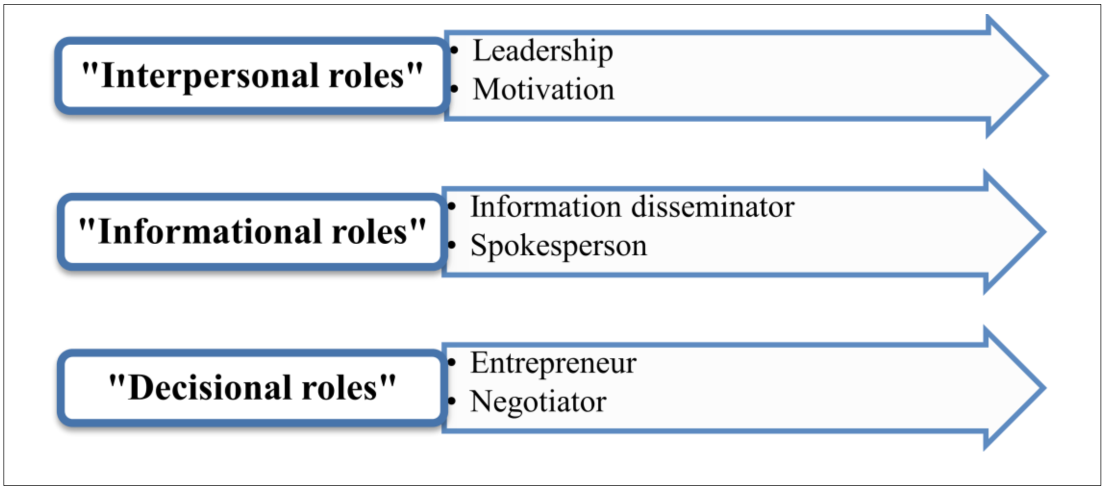


Source : Author's elaboration

II.1.3.The roles of the manager

Henry Mintzberg categorized the roles of a manager into three categories:

Figure 12 : The roles of the manager



Source : Author's elaboration

The manager plays a crucial role in the company; describing situations, making sound decisions, and mitigating risks. The major tasks of a manager include organizing, deciding, controlling, evaluating, coordinating, and guiding.

II.2. Leader :

A leader is someone who guides and inspires others toward a shared goal. Leadership involves vision, decision-making, and the ability to motivate teams. Effective leaders adapt to challenges, foster collaboration, and drive progress in various fields.

II.2.1. Definition of leader :

The Leader is "a person with formal authority and showing himself capable of influencing others" (Robben, Coulter, Decenzo, Ne, Gabilliet, & Clements, 2018), This definition highlights four key elements that are commonly existed in the different conceptions of leadership. These are the process, the influence "leadership and will be an influence." (BELTRAN, 2021) , the group and the objectives. True leaders stand firm in their beliefs and exhibit deep inner strength. They often evoke a blend of admiration, respect, and commitment, inspiring those around them.

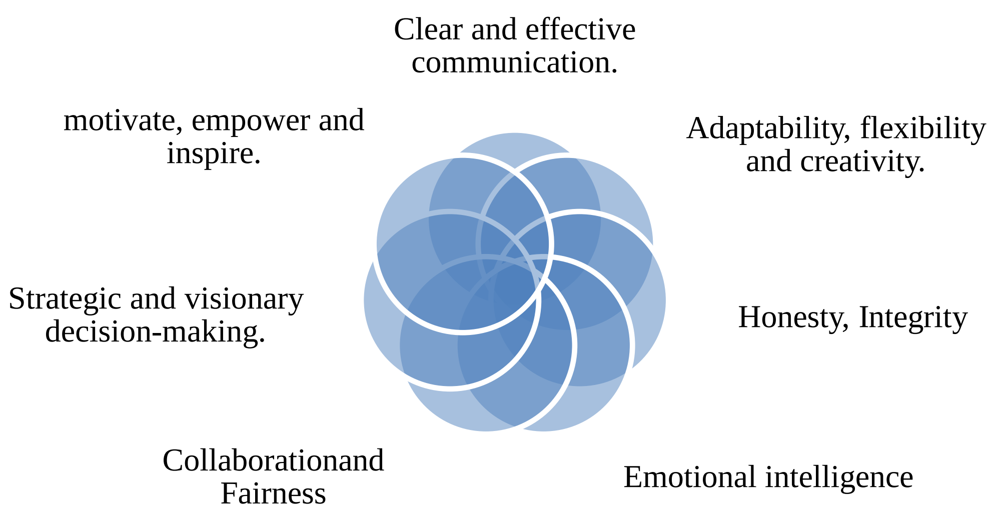
While their influence may sometimes spark a mix of emotions, they are the driving force behind progress and meaningful transformation within organizations and society.

Leaders are found and required in most aspects of society and organizations, including business, politics, religion and social. Leaders are seen as people who make sound and sometimes difficult decisions. They articulate a clear vision, establish achievable goals and provide followers with the knowledge and tools necessary to achieve those goals.

II.2.2. Characteristics of the manager

An effective leader has the following characteristics: self-confidence, strong communication and management skills, creative and innovative thinking, willingness to take risks, open to change, levelheaded and reactiveness in times of crisis.

Figure 13 : Characteristics of the leader



Source : Author's elaboration

II.2.3. How to become a better leader:

- Become more self-aware: Great leaders know their strengths, weaknesses and effects on the people they lead. They set a good example and model good behavior.

- Refine communication skills: Leaders should be effective and clear in their communication; they must also be good listeners. Communication should be based in openness, honesty and transparency.
- Connect with team members: Connections build trust, understanding and bonds that are critical for successful leadership. The best leaders should get to know the personalities and capabilities of their team members.
- Encourage growth: The best leaders encourage their own, their colleagues' and their employees' or followers' personal and professional growth.
- Be open to change: Change is inevitable in business; being open to it and encouraging new ideas and perspectives from team members.
- Develop positive attitudes: Responding to negative situations and problems with positive approaches and encouragement is a great way to model and improve problem-solving skills.
- Seek out growth opportunities: Great leaders look for opportunities for continuous improvement and education.

II.3. Difference between leader and manager :

Management is the oversight of the tactical steps required to complete the work and achieve the objectives. Good managers excel at articulating the steps required to complete tasks and holding people accountable for doing assigned work.

Leaders can be good managers and good managers can be good leaders. Very often, managers are put into positions where they need to exhibit leadership characteristics, such as motivating and aligning employees to goals.

Abraham Zaleznik wrote an article titled "Managers and Leaders: Are They Different?" He concluded that they are indeed different. According to him, managers' behavior is dictated by consensus; they are more motivated by procedural issues than by questions of power. In contrast, leaders follow their own vision without seeking compromise with the group.

Managers, on the other hand, are content with implementing the leader's vision. A well-known distinction between leadership and management highlights that a leader focuses on doing what is right, while a manager ensures things are done correctly. Other authors express this distinction by saying that managers handle things, while leaders guide people.

Generally, leaders are considered superior to managers. As a result, managers tend to have a less favorable reputation.

- Leaders are future-oriented, whereas managers focus on the present.
- Leaders embrace change, while managers prefer stability.
- Leaders prioritize the long term, whereas managers focus on the short term.
- Leaders are committed to a vision, whereas managers are concerned with rules and regulations, focusing on procedures.
- Leaders ask ‘why’, while managers ask ‘how’.
- Leaders delegate, whereas managers seek control.
- Leaders simplify, while managers thrive in complexity.
- Leaders trust their intuition, whereas managers rely on logical reasoning.
- Leaders consider the broader social environment, while managers focus more narrowly on what happens within the organization.

Another significant difference lies in their approach to work:

- Planning : The manager creates a detailed plan and budget, setting specific steps and timelines to achieve the desired results. Resources are then allocated accordingly. The leader sets the direction, developing a vision for the future—often a distant one—and devising strategies to achieve the necessary changes.
- Building a Network to Implement the Plan : The manager organizes and staffs the structure, ensuring the right personnel are in place, delegating responsibilities and authority, and implementing procedures to guide employees. The leader focuses on adapting the workforce, through words and actions, to ensure that all those whose cooperation is needed understand and accept the vision and strategies of the organization.
- Execution : The manager monitors and solves problems, analyzing detailed results against the plan, identifying discrepancies, and preparing solutions. The leader motivates people to overcome major political, bureaucratic, and human obstacles, while also addressing fundamental but often unmet aspirations of employees.
- Results : The manager improves forecasts and organizational efficiency, ensuring key expected results for various stakeholders, such as delivering products on time for customers or adhering to budgets for shareholders. The leader drives change by

introducing innovations, such as new products that customers desire or new workplace approaches that enhance competitiveness.

Considering all of the above, we can confirm that successful companies understand that there are no miracle formulas or keys to organizational effectiveness. To better manage change, they identify the expectations of their employees and address persistent dysfunctions by implementing total quality management, where the human dimension is both inevitable and essential.

However, despite these procedures, it is important to note that leaders must also be present at the top of organizations. They are essential for channeling group efforts through their charisma, aligning the group's objectives with those of the company, and ensuring transparency and fairness to maintain both flexibility and sustainability.

CHAPTER 04:

PRINCIPLES OF MANAGEMENT

Henri Fayol, a French industrialist and management theorist, introduced the 14 principles of management in his book General and Industrial Management (Fayol, 1916). These principles serve as fundamental guidelines for managers aiming to enhance organizational efficiency and effectiveness. Fayol's principles provide a structured approach to management that helps in organizing workflows, clarifying authority, and maintaining order within an organization.

Chapter plan :

Section I : the 14 principles of management (According to H.Fayol)

Section II : Importance of the 14 principles of management to an organization

SECTION I : THE 14 PRINCIPLES OF MANAGEMENT

(According to H.Fayol)

Henry Fayol is known as the father of modern management theory. He was an engineer at the Compagnie de Commentry-Fourchambault-Decazeville mining company and worked his way up to become a manager during the peak of the Industrial Revolution in France. Under his watch, the struggling company prospered.

In 1916, he wrote the book, "Administration Industrielle et Générale," where he shared his experiences of managing a workforce. This laid the foundation for administrative theory and the 14 Principles of Management. By focusing on administrative over technical skills, these principles became one of the earliest examples of treating management as a true profession.

The principles, along with their real-world applications and their importances to an organization, are detailed as follows:

I.1. Division of Work

Division of Work : Specialization allows employees to focus on specific tasks, increasing productivity and efficiency. When work is divided appropriately, employees develop expertise in their respective functions, leading to higher accuracy and better overall performance (Fayol, 1916)

The first Henry Fayol principle of management is based on the theory that if an employee is given a specific task to do, they will become more efficient and skilled in it. This is opposed to a multi-tasking culture where an employee is given so many tasks to do at once. In order to implement this principle effectively, look at the current skill sets of each employee and assign them a task that they can become proficient at. This will help them to become more productive, skilled, and efficient in the long run.

- ***Example***: At a school, every department has a different responsibility, like academics, sports, administration, sanitation, food, beverages, etc. These responsibilities are taken care of by employees specializing in that particular department, increasing efficiency and productivity and making them specialists in their field.

- ***Application***: Organizations should design job roles with clear task divisions to improve productivity.

The division of work, also known as work specialization, is a fundamental principle in organizational management. It involves breaking down tasks into smaller, specialized activities assigned to individuals or teams based on their expertise. This principle enhances efficiency, productivity, and organizational effectiveness (Robbins, S. P & Coulter, 2021) . The division of work plays a crucial role in optimizing resources, improving work quality, and fostering innovation. Below are the key benefits of division of work in an organization: (Mintzberg, 2018)

- **Increased Productivity:** Employees focusing on specific tasks improve skills, perform faster, and make fewer errors.
- **Efficiency and Time-Saving:** Specialization reduces time lost switching between tasks, streamlining workflows and minimizing redundancies.
- **Quality Improvement:** Mastery of specialized tasks enhances output quality and reduces mistakes.
- **Better Resource Utilization:** Allocating tasks based on skills optimizes use of human, financial, and material resources.
- **Facilitates Innovation and Expertise Development:** In-depth knowledge from specialization fosters creativity, process improvements, and problem-solving.
- **Improved Employee Satisfaction:** Clear roles aligned with skills increase engagement, competence, and reduce workplace stress.
- **Scalability and Growth:** Specialization enables structured delegation and efficient expansion of teams, departments, and hierarchies.
- **Enhances Coordination and Collaboration:** Interdependence among specialized teams fosters teamwork and smooth communication, improving organizational performance

The division of work is essential for organizational success as it optimizes productivity, enhances efficiency, and improves overall quality. However, it must be managed effectively to avoid monotony, work overload, or communication barriers. Balancing specialization with job rotation or multi-skilling strategies can further improve organizational performance.

I.2.Authority and Responsibility

Authority gives managers the right to give orders, while responsibility ensures they are accountable for the execution of tasks. A balance between authority and responsibility is necessary to avoid misuse of power and ensure accountability (Mintzberg, 1973)

This henry fayol principle of management states that a manager needs to have the necessary authority in order to ensure that his instructions are carried out by the employees. If managers did not have any authority, then they would lack the ability to get any work done. However, this authority should come along with responsibility. According to Henri Fayol, there should be a balance between authority and responsibility. If there is more authority than responsibility, the employees will get frustrated. If there is more responsibility than authority, the manager will feel frustrated.

- ***Example***: If an employee has been responsible for managing the decor department while planning an event but has no authority to make design decisions or contact the vendors to get the work done, no efficiency or productivity will be achieved.
- ***Application***: Companies should clearly define managerial authority and responsibility to prevent conflicts and inefficiencies.

Authority and responsibility are two fundamental principles of organizational management that ensure efficiency, accountability, and structured decision-making. Authority refers to the legitimate power given to individuals to make decisions and enforce rules, while responsibility is the obligation to complete assigned tasks and be accountable for outcomes (Robbins, S. P & Coulter, 2021) . The balance between authority and responsibility is crucial for organizational success.

- **Ensures Efficient Decision-Making :** Authority empowers managers and employees to make decisions without unnecessary delays. When individuals have clear authority, they can take action promptly, reducing bureaucracy and improving response times (Daft R. , 2020)
- **Improves Coordination and Communication :** Clearly defined authority and responsibility prevent confusion and overlapping duties within an organization. It ensures

that employees know who to report to and who has the power to make decisions, improving coordination and teamwork (Mintzberg, 2018)

- **Facilitates Delegation and Specialization :** Managers can delegate tasks effectively when authority and responsibility are well-structured. This delegation enables employees to specialize in specific areas, leading to greater efficiency and productivity (Koontz & Weihrich, 2019)
- **Strengthens Organizational Structure :** A well-established authority-responsibility relationship supports a strong organizational hierarchy, ensuring that each level of management has a clear role in decision-making and operations (Bateman & Snell, 2020)
- **Encourages Employee Motivation and Trust :** When employees are given authority along with responsibility, they feel empowered and valued. This empowerment fosters motivation, job satisfaction, and trust within the organization (McGregor, 1960)

Authority and responsibility are essential components of effective organizational management. They enable efficient decision-making, enhance accountability, and support coordination and delegation. Organizations that balance authority with responsibility create a structured, productive, and motivated workforce, leading to long-term success.

I.3. Discipline

Discipline is crucial for maintaining order and ensuring that rules and regulations are followed. Clear policies, fair enforcement, and consistent disciplinary measures contribute to a disciplined work environment that enhances productivity and organizational stability (Drucker , 1999)

This principle states that discipline is required for any organization to run effectively. In order to have disciplined employees, managers need to build a culture of mutual respect. There should be a set of organizational rules, philosophies, and structures in place that should be met by everyone. Bending rules or slacking should not be allowed in any organization. In order to achieve this, there is a need for good supervision and impartial judgment.

- ***Example***: Every employee must follow certain rules and regulations and keep a disciplined attitude in the workplace for smooth working and efficient results.
- ***Application***: Organizations should establish and enforce clear disciplinary policies to maintain order.

Discipline is a fundamental principle in organizational management that ensures order, consistency, and adherence to established rules and standards. It fosters a productive work environment by promoting accountability, efficiency, and ethical behavior. According to (Robbins, S. P & Coulter, 2021), discipline is essential for maintaining organizational stability and achieving strategic objectives. The following points highlight the key importance of discipline in an organization:

- **Enhances Organizational Efficiency :** Discipline ensures that employees follow company policies, adhere to deadlines, and complete their tasks efficiently. A disciplined workforce minimizes disruptions, allowing for smooth operations and increased productivity (Daft R. , 2020)
- **Strengthens Workplace Ethics and Integrity :** Discipline reinforces ethical behavior by ensuring that employees adhere to company values, professional conduct, and legal regulations. This fosters trust and credibility among stakeholders, including customers, investors, and employees
- **Encourages Employee Motivation and Morale :** A disciplined work environment promotes fairness and consistency in the treatment of employees. When employees see that rules are enforced uniformly, it creates a sense of justice and boosts motivation.
- **Improves Decision-Making and Leadership Effectiveness :** Discipline enables managers to maintain control and guide employees effectively. Leaders who enforce discipline fairly and consistently can make better decisions and create a culture of accountability and performance
- **Ensures Compliance with Organizational Policies and Regulations :** Organizations operate within legal and regulatory frameworks that require compliance. Discipline ensures that employees adhere to these rules, preventing legal issues and protecting the organization's reputation

Discipline is a cornerstone of organizational success, ensuring efficiency, accountability, and ethical conduct. By fostering a disciplined work culture, organizations can minimize conflicts, enhance productivity, and promote long-term sustainability. Implementing fair and consistent disciplinary measures helps create a structured and motivated workforce that contributes to achi

I.4. Unity of Command

Unity of Command : Each employee should report to only one superior to prevent conflicts, confusion, and inefficiency. This principle reduces misunderstandings and ensures that directives are carried out effectively (Fayol, 1916)

This principle states that that should be a clear chain of command in the organization. The employees should be clear on whose instructions to follow. According to Fayol, an employee should receive orders from only one manager. If an employee works under two or more managers, then authority, discipline, and stability are threatened. Moreover, this will cause a breakdown in management structure and cause employees to burn out.

- ***Example***: If in a company, an employee has been given a task to finish within 3 to 4 hours as ordered by their immediate superior. But the head of the department asks them to deliver the task within 1 hour. In this case, no unity of command can create confusion and pressure in the workplace.
- ***Application***: Organizations should create clear reporting structures to prevent miscommunication.

The unity of command principle is a fundamental concept in management that states that each employee should report to only one superior. This principle, introduced by Henri Fayol, ensures clarity in authority, responsibility, and communication within an organization (Fayol, 1916). The unity of command is essential for organizational effectiveness as it enhances coordination, accountability, and efficiency. Below are the key reasons why unity of command is crucial to an organization:

- **Prevents Confusion and Conflicting Instructions :** When employees receive directives from multiple supervisors, it can lead to confusion and inefficiencies. The unity of command ensures that employees have a single point of instruction, reducing misunderstandings and errors in task execution (Robbins, S. P & Coulter, 2021)
- **Improves Communication and Decision-Making :** A clear chain of command facilitates smooth communication between employees and supervisors. It reduces delays in decision-making and enhances the overall efficiency of the organization

- **Strengthens Leadership and Authority :** The unity of command establishes clear leadership roles, preventing power struggles and overlapping authorities. It ensures that managers can effectively lead their teams without interference from multiple sources .
- **Increases Employee Morale and Discipline :** Employees perform better when they have clear guidance and direction. The unity of command fosters a structured work environment where employees feel secure in their roles, enhancing motivation and discipline
- **Reduces Workplace Conflicts :** When multiple supervisors provide conflicting instructions, it can lead to disputes and inefficiencies. The unity of command eliminates this issue by ensuring that employees follow a single chain of authority, reducing workplace conflicts
- **Improves Efficiency and Productivity :** A well-defined command structure allows employees to focus on their tasks without uncertainty. This clarity improves workflow efficiency and organizational productivity (Robbins, S. P & Coulter, 2021)
- **Supports Organizational Stability and Growth :** By maintaining a clear chain of command, organizations can operate smoothly and adapt to changes more effectively. This stability enables businesses to scale and implement new strategies without disrupting operations.

The unity of command is a crucial principle that enhances organizational efficiency, accountability, and communication. By ensuring that employees report to a single superior, organizations can prevent conflicts, improve decision-making, and maintain a stable work environment. Implementing this principle helps organizations achieve their strategic goals and sustain long-term success.

I.5. Unity of Direction

Unity of Direction : Teams working toward the same objectives should follow a unified plan, ensuring coordination and coherence in activities. This principle enhances organizational alignment and prevents duplication of efforts. (Robbins, S. P & Coulter, 2021)

This henry fayol principle of management states that the work to be done should be organized in such a way that employees work in harmony towards the same objective, using one plan, under the direction of one manager. For example, if you have a range of marketing activities such as advertising, budgeting, sales promotion, etc., there should be one manager using one plan for all the marketing activities. The different activities can be broken down for different sub-managers, but they should all work towards a common goal under the direction of one main person in charge of the whole thing.

- ***Example***: Different sets of activities within a department should be managed by different managers to avoid confusion and lesser efficiency within the workflow.
- ***Application***: Managers should develop cohesive plans that align with company goals

The unity of direction principle is a fundamental concept in management that states that all activities within an organization should be aligned toward achieving a common objective. This principle, introduced by Henri Fayol, ensures coordinated efforts and a unified strategic approach within an organization (Fayol, 1916). The unity of direction is essential for organizational success as it fosters alignment, efficiency, and goal achievement. Below are the key reasons why unity of direction is crucial to an organization:

- **Aligns Organizational Goals and Efforts :** Unity of direction ensures that all employees and departments work toward a shared objective. When the organization's vision is clear, it enhances focus and minimizes distractions, leading to better strategic execution.
- **Enhances Coordination and Teamwork :** A unified direction encourages collaboration among teams and departments, reducing inefficiencies and redundancies. Employees work in harmony when they understand their role in achieving common goals (Daft R. , 2020)
- **Improves Decision-Making :** With a clear sense of direction, managers can make informed decisions that align with organizational priorities. This coherence ensures that

resources are allocated efficiently and that efforts are not wasted on conflicting priorities. (Jones & George, 2022)

- **Strengthens Leadership and Organizational Structure :** When there is unity of direction, leaders can establish a structured approach to managing employees and projects. A well-defined strategy promotes stability and minimizes disruptions
- **Increases Efficiency and Productivity :** A unified direction streamlines operations, allowing employees to work more effectively. Eliminating conflicting objectives improves workflow efficiency and boosts overall productivity
- **Enhances Employee Motivation and Morale :** When employees understand the organization's goals and how their work contributes to these objectives, they feel more engaged and motivated. A clear sense of purpose fosters job satisfaction and commitment
- **Reduces Conflicts and Miscommunication :** Organizations with a single, well-communicated direction experience fewer internal conflicts. Clear goals and strategies prevent misunderstandings and ensure that all departments work cohesively (Bateman & Snell, 2020)

The unity of direction is a crucial principle that ensures organizational alignment, efficiency, and goal achievement. By ensuring that all employees and departments work toward a shared vision, organizations can optimize performance, reduce inefficiencies, and foster a culture of collaboration. Implementing this principle helps organizations maintain stability and achieve long-term success.

I.6. Subordination of Individual Interest to General Interest

Subordination of Individual Interest to General Interest : The organization's objectives should take precedence over personal interests. Employees and managers must work together towards common goals rather than pursuing individual gains that might conflict with organizational success (Fayol, 1916)

This principle states that the overall interest of the team should take precedence over personal ones. The interest of the organization should not be sabotaged by the interest of an individual. If anyone goes rogue, the organization will collapse.

- ***Example***: While planning a team outing, the employee making the travel and stay decisions must make arrangements according to comfort and affordability, not just as per their liking.
- ***Application***: Organizations should foster a culture where collective success is valued over individual benefits.

The subordination of individual interest to general interest ensures organizational harmony, efficiency, and goal achievement (Fayol, 1916). Below are the key reasons why subordination of individual interest to general interest is crucial to an organization:

- **Promotes Organizational Unity :** When employees align their personal goals with organizational objectives, a sense of unity and shared purpose is fostered. This alignment reduces conflicts and promotes collaboration (Robbins, S. P & Coulter, 2021)
- **Enhances Efficiency and Productivity :** Prioritizing organizational goals over personal interests ensures that resources are allocated effectively and that efforts are directed toward achieving collective success. This enhances overall productivity and operational efficiency
- **Encourages Ethical Behavior and Fairness :** Organizations that uphold collective interests create a culture of fairness and ethical behavior. Employees are more likely to trust leadership and follow organizational rules when they see fairness in decision-making
- **Improves Employee Commitment and Engagement :** Employees who understand and support organizational priorities tend to be more engaged and committed. This

commitment leads to higher job satisfaction and lower turnover rates (Koontz & Weihrich, 2019)

- **Encourages a Culture of Teamwork :** A workplace that values collective goals fosters teamwork and collaboration. Employees work together more effectively when they see their contributions benefiting the organization as a whole

The subordination of individual interest to general interest is vital for organizational success. By ensuring that collective goals take precedence, organizations can achieve higher efficiency, reduce conflicts, and foster a culture of collaboration and ethical behavior. Implementing this principle strengthens leadership, enhances employee commitment, and supports long-term growth.

I.7.Remuneration

Remuneration : Compensation should be fair and structured to provide financial and non-financial rewards that motivate employees. Competitive remuneration strategies help retain talent and improve job satisfaction (Herzberg, 1959)

This henry fayol principle of management states that employees should be paid fair wages for the work that they carry out. Any organization that underpays its workers will struggle to motivate and keep quality workers. This remuneration should include both financial and non-financial incentives. Also, there should be a structure in place to reward good performance to motivate employees.

- ***Example***: A company offers bonuses for employees who exceed performance targets.
- ***Application***: HR departments should implement fair compensation models to encourage employee engagement.

The principle of remuneration is crucial in organizational management as it directly influences employee motivation, satisfaction, and performance. Henri Fayol emphasized that fair and adequate compensation is essential to maintaining a productive and committed workforce (Fayol, 1916). Below are the key reasons why remuneration is important to an organization:

- **Enhances Employee Motivation :** Fair remuneration serves as an incentive for employees to perform at their best. Competitive salaries and benefits encourage higher productivity and job commitment (Robbins, S. P & Coulter, 2021)
- **Improves Employee Retention :** Organizations that offer fair compensation experience lower turnover rates. When employees feel adequately rewarded, they are more likely to stay with the organization, reducing recruitment and training costs
- **Increases Job Satisfaction :** Employees who receive fair wages feel valued and appreciated, which leads to higher job satisfaction. Satisfied employees contribute positively to the work environment and organizational culture (Jones & George, 2022)
- **Enhances Organizational Reputation :** Companies known for fair remuneration attract top talent and maintain a strong employer brand. A good reputation helps in acquiring skilled professionals and retaining them
- **Boosts Productivity and Performance :** When employees are compensated fairly, they are more engaged and willing to put in extra effort. This leads to increased efficiency and better overall organizational performance
- **7. Ensures Compliance with Labor Laws :** Organizations that provide fair wages adhere to labor regulations, reducing the risk of legal disputes and penalties. Compliance enhances trust between management and employees
- **Supports Long-Term Organizational Growth :** Investing in fair remuneration contributes to a stable workforce, fostering long-term growth and sustainability. Organizations with satisfied employees are more resilient and adaptable to change

Remuneration is a fundamental aspect of organizational success, influencing motivation, job satisfaction, retention, and overall performance. A fair and well-structured compensation system ensures compliance, reduces conflicts, and supports long-term sustainability. By prioritizing fair remuneration, organizations can enhance employee engagement and maintain a competitive advantage.

I.8. Centralization and Decentralization

Centralization and Decentralization : The degree of centralization or decentralization should be determined based on the organization's needs. While centralization enables strong control and uniform decision-making, decentralization empowers lower management levels, fostering innovation and responsiveness (Mintzberg, 1979)

Centralization refers to the concentration of power in the hands of the authority and following a top-bottom approach to management. In decentralization, this authority is distributed to all levels of management. In a modern context, no organization can be completely centralized or decentralized. Complete centralization means that people at the bottom have no authority over their responsibilities. Similarly, complete decentralization means that there will be no superior authority to control the organization. To use this effectively today, there should be a balance of centralization and decentralization. The degree to which this balance is achieved will differ from organization to organization.

- ***Example***: Centralization is mostly common in small and medium-sized firms where the delegation of work is minimal, and the owners make most of the decisions.
- ***Application***: Businesses should balance centralization and decentralization to optimize decision-making.

Centralization in an organization refers to the concentration of decision-making authority at the top levels of management. It plays a significant role in shaping the structure and efficiency of an organization. Here are some key reasons why centralization is important:

- **Ensures Consistency and Uniformity :** Centralized decision-making helps maintain consistency in policies, procedures, and strategies across the organization.It ensures that all departments follow the same rules, reducing confusion and conflicts.
- **Enhances Control and Coordination :** With a centralized structure, top management has better control over operations and resources. It facilitates coordination among different departments, leading to smooth workflow and alignment with organizational goals.
- **Improves Decision-Making Efficiency :** In a centralized system, key decisions are made by experienced leaders, ensuring expertise and strategic vision.It prevents lower-level employees from making inconsistent or uninformed decisions.

- **Reduces Costs and Increases Efficiency :** Centralized organizations can achieve economies of scale by standardizing processes and reducing duplication of efforts. It minimizes administrative overhead and enhances cost efficiency.
- **Strengthens Leadership and Accountability :** A centralized structure makes it clear who is responsible for major decisions. It improves accountability, as senior management is directly responsible for the success or failure of strategies.
- **Facilitates Crisis Management :** During crises or urgent situations, centralized decision-making allows for quick and decisive action. It prevents delays caused by consulting multiple levels of authority.
- **Enhances Strategic Focus :** Top management can focus on long-term goals, company vision, and innovation rather than getting involved in operational details. It ensures that all departments align with the organization's overall mission.

While centralization has many advantages, it can also have drawbacks, such as reduced flexibility, slower response times for local issues, and decreased employee motivation due to limited autonomy.

The importance of centralization depends on the size, nature, and industry of an organization. Some companies thrive with a centralized approach, while others may benefit from decentralization. A balanced approach, combining centralization for strategic decisions and decentralization for operational flexibility, is often the most effective.

I.9. Scalar Chain

Scalar Chain : A clear hierarchical structure should be in place to facilitate efficient communication and decision-making. The chain of command ensures that instructions flow smoothly from top management to lower levels while maintaining organizational discipline (Fayol, 1916)

A scalar chain refers to a clear chain of communication between employees and their superiors. Employees should know where they stand in the hierarchy of the organization and who to go to in a chain of command. To implement this in the workplace, Fayol suggests that there should be an organizational chart drawn out for employees to see this structure clearly.

- ***Example***: Every organization has a specific chain of authority from the highest level of superiors, like the founder or CEO, to the lowest level of subordinates following a hierarchy for maximum productivity.
- ***Application***: Companies should establish structured reporting lines to enhance operational efficiency.

The scalar chain ensures orderly communication, accountability, and efficient decision-making within an organization. The following points highlight its importance:

- **Ensures Clear Chain of Command :** A well-established scalar chain clarifies who reports to whom, reducing confusion in decision-making and task execution. Employees understand their roles and responsibilities within the hierarchy (Fayol, 1949)
- **Facilitates Effective Communication :** By providing a structured communication pathway, the scalar chain ensures that information flows smoothly from top management to lower levels and vice versa. This prevents miscommunication and ensures that instructions are properly relayed (Robbins, S. P & Coulter, 2021)
- **Enhances Organizational Discipline :** A clear line of authority helps maintain order and discipline within the organization. Employees are aware of their reporting structure and are more likely to adhere to organizational policies and procedures (Daft R. , 2020)
- **Improves Coordination and Efficiency :** By establishing a structured workflow, the scalar chain enhances coordination between different levels of management. It prevents overlapping responsibilities and ensures efficient use of resources

- **Reduces Conflict and Ambiguity :** A well-defined scalar chain minimizes workplace conflicts by clearly outlining reporting relationships. Employees are less likely to experience confusion regarding whom to approach for approvals or problem-solving. (Griffin, Management, 2020)

The scalar chain is essential for maintaining order, discipline, and efficiency within an organization. While strict adherence to the scalar chain can sometimes slow down communication, modern organizations often introduce "gangplank" mechanisms, allowing employees at different levels to communicate directly in urgent situations (Fayol, 1949). Balancing a strong scalar chain with flexibility ensures optimal organizational performance.

I.10. Order

Organizational order refers to the systematic arrangement of resources, including personnel, materials, and processes, to ensure efficiency and effectiveness in achieving organizational goals. According to (Fayol, 1916) , organizational order is one of the 14 principles of management, emphasizing that “a place for everything and everything in its place” is essential for maintaining structure and efficiency in an organization.

(Robbins, S. P & Coulter, 2021) define organizational order as “the arrangement of work environments, resources, and personnel in a structured manner that optimizes workflow, reduces confusion, and enhances productivity.” Proper organizational order ensures that resources are allocated efficiently and employees understand their roles and responsibilities.

Similarly, (Jones & George, 2022) describe organizational order as a principle that ensures clarity in job assignments, structured decision-making processes, and proper utilization of physical and human resources. It contributes to stability and consistency, allowing an organization to function smoothly and achieve its objectives.

This principle states that there should be an orderly placement of resources (manpower, money, materials, etc.) in the right place at the right time. This ensures the proper use of resources in a structured fashion. Misplacement of any of these resources will lead to misuse and disorder in the organization.

- ***Example***: Employees should be given a designated space and the right tools or equipment to complete their work efficiently.

- ***Application***: Managers should implement structured organizational systems for better efficiency.

Organizational order is a fundamental principle of management introduced by Henri Fayol, emphasizing the proper arrangement of resources, personnel, and tasks within an organization. It ensures that everything has a designated place and operates efficiently within a structured system. The importance of organizational order is outlined below:

- **Enhances Efficiency and Productivity** : A well-organized workplace minimizes unnecessary movements and delays, ensuring that employees can focus on their tasks efficiently. According to (Daft L. , 2021), structured processes and resource allocation reduce wastage and enhance productivity.
- **Facilitates Smooth Workflow :** Order ensures that tasks are systematically assigned and executed without disruptions. (Jones & George, 2022) highlight that when responsibilities are clearly defined, organizations experience fewer bottlenecks and operational slowdowns.
- **Improves Resource Management :** Organizational order optimizes the use of human and material resources. (Bateman & Snell, 2020) suggest that proper arrangement of tools, documents, and personnel leads to better utilization of assets, preventing losses and redundancies.
- **Enhances Decision-Making :** With a clear structure in place, managers can make decisions more effectively. (Robbins, S. P & Coulter, 2021) emphasize that order provides managers with accurate information and streamlined processes, leading to well-informed decisions.
- **Promotes a Safe and Organized Work Environment :** Organizational order plays a crucial role in workplace safety, (Mintzberg, 2019) notes that structured environments help prevent accidents and ensure compliance with safety regulations.

Organizational order is essential for maintaining efficiency, productivity, and discipline in an organization. It ensures that resources are well-managed, decision-making is effective, and employees work in a structured and safe environment. While flexibility is sometimes necessary, maintaining a well-ordered system is key to long-term organizational success.

I.11. Equity

Equity : Fairness and justice in treating employees create a positive work environment. Managers should ensure that employees are treated respectfully and equally to foster a sense of belonging and commitment (Fayol, 1916)

Equity is a combination of kindness and justice. This principle states that managers should use kindliness and justice towards everyone they manage. This creates loyalty and devotion among the employees towards the organization they work for.

- ***Example***: All employees, irrespective of gender, religion, race, and sexuality, must feel safe, seen, and heard and be given equal opportunities to grow and flourish in their careers within the organization.
- ***Application***: Organizations should implement policies that promote fairness in hiring, promotions, and rewards.

Equity is a fundamental principle of management that emphasizes fairness, justice, and impartiality in treating employees. Introduced by Henri Fayol, the concept of equity fosters a positive work environment, enhances employee satisfaction, and contributes to overall organizational success. The importance of equity in an organization is outlined below:

- **Enhances Employee Motivation and Commitment :** When employees feel they are treated fairly, they are more motivated and committed to their work. According to (Robbins, S. P & Coulter, 2021), equitable treatment fosters loyalty and encourages employees to contribute their best efforts to organizational goals.
- **Promotes Workplace Morale and Satisfaction :** Equity creates a sense of belonging and respect among employees. (Daft L. , 2021) emphasizes that when workers perceive fairness in promotions, rewards, and work assignments, job satisfaction increases, leading to a more harmonious work environment.
- **Reduces Workplace Conflicts :** A fair and transparent system minimizes grievances related to favoritism or discrimination. (Griffin, Management, 2020) states that equity reduces interpersonal conflicts and ensures that all employees have equal opportunities for growth and recognition.

- **Improves Employee Retention :** Organizations that practice equity experience lower turnover rates. (Bateman & Snell, 2020) highlight that when employees believe they are treated justly, they are more likely to stay with the organization, reducing recruitment and training costs.
- **Strengthens Organizational Reputation :** Companies known for their equitable practices attract top talent and maintain a positive public image. (Mintzberg, 2019)notes that fairness in hiring, compensation, and career advancement enhances an organization's reputation, making it more competitive in the job market.
- **Increases Productivity and Performance :** Employees who perceive fairness in the workplace are more engaged and productive. According to (Robbins, S. P & Coulter, 2021), organizations that implement equity-driven policies experience higher levels of performance and efficiency.

Equity is a crucial factor in fostering a positive organizational culture, reducing conflicts, and enhancing overall performance. By ensuring fairness in policies and decision-making, organizations can build a motivated, satisfied, and high-performing workforce.

I.12. Stability of Tenure of Personnel

Reducing employee turnover helps maintain stability and ensures knowledge retention. Frequent turnover leads to inefficiencies, increased training costs, and lower productivity (Drucker , 1999)

This principle states that an organization should work to minimize staff turnover and maximize efficiency. Any new employee cannot be expected to get used to the culture of an organization right away. They need to be given enough time to settle into their jobs to become efficient. Both old and new employees should also be ensured job security because instability can lead to inefficiency. There should also be a clear and effective method to handle vacancies when they arise because it takes time and expense to train new ones.

- ***Example***: Every new employee must be given a proper induction of both the technical aspect of the company as well as the work culture and office environment for them to mingle well. Old employees should be given alum awards for completing certain tenures to boost morale.

- ***Application***: Businesses should create supportive work environments to enhance employee retention.

Stability of tenure of personnel is one of Henri Fayol's 14 principles of management, emphasizing the need for job security and employee retention to enhance organizational effectiveness. It refers to maintaining a stable workforce by minimizing turnover and providing employees with long-term career opportunities. The following points highlight its importance:

- **Enhances Employee Productivity and Efficiency :** Employees who stay longer in an organization gain experience and expertise in their roles, leading to increased efficiency. According to Daft (2021), organizations that retain employees for extended periods benefit from their accumulated knowledge, reducing errors and enhancing productivity.
- **Promotes Organizational Stability :** A stable workforce ensures continuity in operations, minimizing disruptions caused by frequent employee turnover. Robbins and Coulter (2022) highlight that organizations with consistent teams maintain better coordination and long-term planning.
- **Strengthens Employee Loyalty and Commitment :** When employees feel secure in their jobs, they develop a stronger commitment to the organization. (Mintzberg, 2019)emphasizes that job security fosters loyalty, reducing absenteeism and disengagement.
- **Improves Workplace Morale :** Uncertainty about job security can lead to stress and dissatisfaction. Jones and George (2021) note that organizations that provide job stability create a positive work environment where employees are more engaged and motivated.
- **Facilitates Skill Development and Career Growth :** Employees who remain with an organization for a longer period have more opportunities to enhance their skills and advance their careers. (Griffin, Management, 2020)explains that stability allows for structured professional development, benefiting both employees and the organization.

Stability of tenure of personnel is essential for organizational success, as it leads to higher productivity, lower costs, and a more committed workforce. By fostering a secure and growth-oriented work environment, organizations can enhance employee retention and overall performance.

I.13. Initiative

Encouraging employees to take initiative fosters innovation and engagement. Allowing employees to contribute ideas and take ownership of their tasks leads to a more dynamic and adaptable organization (Fayol, 1916)

This principle states that all employees should be encouraged to show initiative. When employees have a say as to how best they can do their job, they feel motivated and respected. Organizations should listen to the concerns of their employees and encourage them to develop and carry out plans for improvement.

- ***Example***: Taking suggestions from employees regarding their specific department can make them feel seen in an authoritative position and can give them a sense of achieving something for the team.
- ***Application***: Organizations should cultivate a culture where employees feel empowered to suggest improvements.

Initiative is a crucial principle in management that encourages employees to take proactive steps, make independent decisions, and contribute creatively to organizational success. Henri Fayol identified initiative as one of his 14 principles of management, emphasizing the value of empowering employees to act autonomously within their roles. The following points highlight the significance of initiative in an organization:

- **Encourages Innovation and Problem-Solving :** Organizations that promote initiative benefit from continuous innovation and creative problem-solving. When employees feel empowered to suggest and implement new ideas, the company gains a competitive edge (Dessler, 2020)
- **Enhances Employee Engagement and Ownership :** Employees who take the initiative feel a stronger sense of ownership over their work. Research by (Armstrong & Taylor, 2023) indicates that organizations that encourage initiative experience higher employee engagement and job satisfaction.
- **Increases Organizational Agility and Adaptability :** In today's rapidly changing business environment, organizations must be adaptable. Encouraging initiative allows

employees to respond quickly to challenges and opportunities, making the organization more agile and resilient (Hill, Jones, & Schilling, 2019)

- **Fosters a Culture of Continuous Improvement :** Organizations that value initiative cultivate a culture of continuous improvement. When employees feel empowered to make suggestions and implement changes, processes become more efficient, and the organization remains competitive. (Luthans, Luthans, & Luthans, 2021)
- **Reduces Dependence on Management for Small Decisions**

When employees take initiative, they require less direct supervision for routine tasks, allowing managers to focus on strategic decision-making. This delegation of responsibility enhances overall operational effectiveness (Robbins & Judge, 2022)

Encouraging initiative within an organization leads to increased innovation, efficiency, and employee engagement. By fostering an environment where employees feel confident taking proactive steps, organizations can build a dynamic and adaptive workforce that contributes to long-term success.

I.14. Team Spirit

Team spirit is a collective sense of unity, enthusiasm, and commitment among employees working toward a common goal. It reflects the willingness of individuals to collaborate, support each other, and prioritize the success of the team over personal interests. According to (Robbins & Judge, 2022)team spirit is essential for fostering cooperation, enhancing morale, and improving overall organizational performance.

(Luthans, Luthans, & Luthans, 2021) define team spirit as “the shared sense of camaraderie and trust among team members that facilitates effective communication, collaboration, and problem-solving.” It is a critical factor in organizational success, as it helps employees feel more engaged and motivated in their work.

This henry fayol principle of management states that the management should strive to create unity, morale, and co-operation among the employees. Team spirit is a great source of strength in the organization. Happy and motivated employees are more likely to be productive and efficient.

- ***Example***: While discussing the new plan of action for achieving the next month's targets, using the word 'We' instead of 'I' brings a teamwork spirit to the group.
- ***Application***: Businesses should implement activities that enhance team cohesion and employee morale.

Organizations that encourage team spirit benefit from stronger employee relationships, higher engagement, and better overall performance. The following points highlight its significance:

- **Enhances Collaboration and Synergy :** When employees work together with a shared sense of purpose, they collaborate more effectively. According to (Robbins & Judge, 2022), team spirit promotes synergy, where the combined efforts of a team exceed the sum of individual contributions.
- **Increases Employee Motivation and Engagement :** A strong sense of team spirit leads to higher levels of motivation and engagement. (Luthans, Luthans, & Luthans, 2021) note that employees who feel connected to their colleagues are more likely to take initiative and contribute actively to organizational goals.
- **Improves Workplace Morale and Job Satisfaction :** Team spirit fosters a supportive and enjoyable work environment, which enhances employee morale. (Kinicki & Fugate, 2021) explain that when employees feel valued and included, job satisfaction improves, leading to lower stress levels and higher retention rates.
- **Boosts Productivity and Efficiency :** Organizations with strong team spirit experience higher levels of productivity. (Colquitt, Lepine, & Wesson, 2020) argue that when employees trust and support one another, tasks are completed more efficiently, and workplace conflicts are minimized.
- **Encourages Creativity and Innovation :** A collaborative team environment promotes the exchange of ideas and innovation. (McShane & Von Glinow, 2021) highlight that team members who feel comfortable sharing their perspectives contribute to creative problem-solving and organizational growth.
- **Strengthens Organizational Culture :** Team spirit helps build a strong organizational culture based on mutual respect, trust, and cooperation. According to (Noe, Hollenbeck, Gerhart, & Wright, 2021), organizations that prioritize teamwork create a culture that aligns employees with company values and objectives.

- **Enhances Adaptability and Resilience :** During times of crisis or organizational change, team spirit helps employees remain adaptable and resilient. (Yukl, 2002) emphasizes that cohesive teams support one another, making it easier to navigate challenges and uncertainties.
- **Reduces Workplace Conflicts :** A strong sense of team spirit fosters better communication and understanding among employees, reducing conflicts. According to (Kreitner & Kinicki, 2020) , when employees work harmoniously, misunderstandings decrease, and a positive work atmosphere is maintained.

Team spirit is essential for organizational success, as it promotes collaboration, innovation, and employee well-being. By fostering a supportive and inclusive work environment, organizations can enhance productivity, job satisfaction, and overall performance.

SECTION II : THE IMPORTANCE OF THE 14 PRINCIPLES OF MANAGEMENT

Every organization is truly successful once its employee strength has been optimized to its full potential. These 14 principles of management by Henri Foyal are still widely influential in making sound management decisions and bringing the best results for both the company as well as the employees.

II.1. The importance of the 14 principles of management to an organization

Foyal's principles of management are widely credited for making the employees highly efficient and productive, in turn generating the best possible results and effortless functioning of the organization. Below are some of the most important achievements organizations have achieved by following the 14 principles of management by Henri Fayol.

- **Structure :** Every company requires a structure and a flow to prosper truly. These principles of management provide a structure to the management and encourage the authoritative personnel to take charge and bring out efficiency among the employees.
- **Communication :** Communication is key in every well-managed company. Effective communication is the key to achieving maximum productivity while having clarity about the end goal. Clear and effective communication is a crucial tool in managing many employees and teams and ensuring the best results.
- **Efficiency :** Fayol's principles of management give a firm perspective of how important it is to have good management in place to achieve maximum efficiency while doing smart work.
- **Loyalty :** Any organization is nothing without its employees. It is very important to gain the employees' trust and loyalty as they are an important cog in running the company smoothly and efficiently. Ensuring these principles of management are observed and practiced can be a huge step in gaining trust and building healthy relations with the employees.

II.2. How to Apply Fayol's Principles of Management in the Organization :

Applying Henri Fayol’s 14 principles of management in an organization requires a structured approach. It is essential to tailor these principles to the specific needs of your business to enhance efficiency, employee satisfaction, and overall performance. Here's how you can effectively implement them:

II.2.1. Identify the Most Relevant Principles for Your Organization : Not all principles may be equally applicable to every organization. Start by analyzing your company's structure, culture, and challenges. Identify which principles are most relevant based on your needs.

For example:

- If your organization struggles with unclear roles and responsibilities, apply the Division of Work and Authority and Responsibility principles.
- If decision-making is slow, improving the Scalar Chain (hierarchical communication) can help.
- If employees feel unmotivated, reinforcing Equity and Esprit de Corps (team spirit) may improve morale.

II.2.2.Develop a Plan for Implementing the Principles *:* Once you have identified the relevant principles, create a step-by-step action plan for applying them. This should include:

- Setting clear objectives for each principle.
- Assigning responsibilities to managers and team leaders.
- Establishing timelines and benchmarks to measure progress.
- Identifying potential challenges and ways to overcome them.

For instance, if implementing Order, you may need to restructure workflows, improve workspace organization, and set clear reporting lines.

II.2.3.Communicate the Principles to Employees and Managers *:* For successful implementation, everyone in the organization must understand and embrace these principles. This can be achieved through:

- Training sessions to educate employees about the principles and their benefits.
- Regular meetings with managers to ensure they apply these principles in their departments.
- Incorporating principles into company policies and performance evaluations.
- Encouraging feedback from employees on how these principles impact their work.

For example, if introducing Initiative, encourage employees to share new ideas and reward innovative suggestions to create a culture of proactive problem-solving.

II.2.4.Monitor the Implementation and Make Adjustments as Needed : Applying management principles is an ongoing process. Regularly monitor their impact by:

- Setting Key Performance Indicators (KPIs) to track progress.
- Collecting feedback from employees and managers on challenges faced.
- Conducting periodic reviews to assess what is working and what needs improvement.
- Being flexible and making adjustments to align with organizational changes.

For example, if employees resist Discipline, consider revising company policies to ensure they are fair and consistently enforced.

Applying Fayol's principles of management requires careful selection, planning, and consistent monitoring. By tailoring the principles to your organization, clearly communicating them, and making necessary adjustments, you can enhance efficiency, improve decision-making, and create a more productive work environment. These principles remain relevant today and serve as a foundation for organizational success and sustainable growth.

II.3.Advantages of applying 14 principles of management :

Henri Fayol developed 14 principles of management that serve as a foundation for organizational success. Applying these principles helps businesses operate more effectively, leading to various benefits. Below are the key advantages:

- ***Increased Efficiency and Productivity :*** Fayol's principles, such as Division of Work and Authority and Responsibility, help streamline operations and improve employee efficiency. When tasks are clearly defined and delegated according to expertise, employees can focus on their specific roles, leading to higher productivity and better output quality.
- ***Improved Decision-Making :*** The principles of Unity of Command and Scalar Chain ensure clear communication and well-structured authority, which help managers make informed and timely decisions. When decision-making processes are organized and

responsibilities are well-defined, organizations can avoid confusion and conflicts, leading to more effective management.

- ***Reduced Costs :***By applying Order and Discipline, businesses can minimize waste, reduce inefficiencies, and optimize resource utilization. A well-structured organization ensures that human and financial resources are used efficiently, reducing operational costs and increasing profitability.
- ***Increased Employee Morale :*** Fayol's principle of Esprit de Corps emphasizes teamwork, unity, and collaboration among employees. When employees feel valued, respected, and motivated, their job satisfaction increases, leading to lower turnover rates and a more engaged workforce. The principle of Equity also ensures fairness in treatment, further enhancing morale and loyalty.
- ***Improved Customer Satisfaction :*** A well-managed organization is more likely to deliver high-quality products and services. By applying principles such as Initiative (encouraging employee innovation) and Stability of Tenure (ensuring job security and experience retention), companies can provide consistent, reliable, and customer-focused services, leading to improved customer satisfaction and loyalty.

- ***Enhanced Organizational Performance :*** When all these principles work together, the organization operates smoothly, achieving its strategic goals efficiently. A combination of effective leadership, structured processes, and motivated employees results in long-term success, competitive advantage, and sustainable growth in the market.
- Applying Fayol's principles of management leads to a well-structured, efficient, and high-performing organization. By improving decision-making, reducing costs, enhancing employee morale, and increasing customer satisfaction, businesses can achieve greater stability and long-term success in a competitive environment. These principles continue to be relevant in modern management practices, proving their lasting impact on organizational success.

II.4. Criticism of Fayol's Principles of Management

While Henri Fayol's 14 principles of management are still significantly used by companies and organizations, there are certain criticisms around the theory.

Fayol's school of thought, or Fayolism, is considered too rigid and can only be applicable in a formal structure. While this theory is practical in some aspects, it is argued that it is not completely useful as the employees should also be given the freedom to make decisions.

Henry Fayol’s 14 principles of management are universally accepted and continually used as a guideline for managers across the world. Though these principles of management are more than 100 years old, without them, it would push us back hundreds of years back when technical skills reigned supreme, and people lacked managerial responsibility.

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CHAPTER :

OPERATIONNEL MANAGEMENT

AND STRATEGIC MANAGEMENT

The management of organizations is based on two essential and complementary approaches: operational management and strategic management. While the former focuses on the daily management of activities to ensure short-term performance, the latter aims to define and guide the long-term vision of the organization. This distinction is essential to understand how a company can both maintain its current efficiency and prepare for its future.

Chapter plan :

Section I : Strategic and Operational Management ;

Section II : Differences and complementarity between strategic and operational management.

SECTION I : STRATEGIC AND OPERATIONAL MANAGEMENT

Strategic and operational management are two fundamental aspects of business administration that ensure an organization's success and sustainability. This section explores the key principles, highlighting their importance in organizational growth and performance.

I.1.Strategic management :

Strategic management is the process of formulating, implementing, and evaluating long-term goals and initiatives to achieve competitive advantage and organizational success. It involves analyzing internal and external environments, setting objectives, and making decisions that align with the organization's vision and mission .Effective strategic management ensures adaptability, innovation, and sustained growth in a dynamic business environment.

I.1 .1 Definition of Strategic management :

Strategic management refers to all decisions and actions taken to sustainably orient the organization according to its environment and ambitions. It involves analyzing external opportunities and threats, as well as identifying internal strengths and weaknesses . (Porter, 1985)

I.1.2. Objectives of Strategic management :

The objectives of strategic management include:

- Defining a clear vision and mission
- Developing a strategy aligned with market trends
- Optimizing resources for sustainable competitive advantage
- Adapting to economic, technological, and societal changes
- Implementing innovation and organizational transformation policies
- Building a corporate culture aligned with strategic objectives (Kaplan & Norton, 1996)

I.1.3. Strategic Management Process

The strategic management process includes several key steps:

- Strategic analysis: Internal and external diagnostics (SWOT analysis, PESTEL, Porter, etc.)

- Strategic choices: Defining orientations and priority areas
- Implementation: Resource allocation and action plan execution
- Monitoring and adjustment: Tracking performance indicators and making necessary adjustments (Mintzberg, 1994)

I.1.4. Types of Strategies

Organizations adopt different strategies depending on their context and objectives: (Ansoff, 1965)

- Growth strategy: Business expansion through diversification, internationalization, or acquisition
- Competitive strategy: Differentiation, cost leadership, or focus on a niche market
- Cooperation strategy: Strategic alliances, partnerships, joint ventures
- Innovation strategy: Integration of new technologies and digitalization
- Sustainability strategy: Corporate social and environmental responsibility.

I.2. Operational Management

Operational management focuses on overseeing and optimizing business processes to ensure efficiency, productivity, and quality in delivering goods and services. It involves managing resources, streamlining workflows, and implementing strategies to minimize costs while maximizing output. Effective operational management enhances organizational performance, customer satisfaction, and competitive advantage.

I.2.1.Definition of Operational Management :

Operational management involves the daily management of activities and resources to achieve strategic objectives. It aims to ensure the continuity of operations, process efficiency, and stakeholder satisfaction. (Kaplan & Norton, 1996)

Operational management refers to the administration of business processes and practices aimed at maximizing efficiency, productivity, and quality in an organization. It involves overseeing the transformation of inputs such as raw materials, labor, and technology into finished goods and services (Heizer, Render, & Munson, 2023). Operational management ensures that business operations run smoothly, cost-effectively, and in alignment with organizational goals.

I.2.2. Objectives of Operational Management :

The objectives of operational management are:

- Ensuring the effective execution of strategic plans
- Managing teams and optimizing productivity
- Controlling quality and process performance
- Guaranteeing customer and employee satisfaction
- Promoting continuous improvement and cost reduction
- Managing risks and organizational resilience

I.2.3. Tools and Techniques in Operational Management

Operational management relies on several tools and methods, including:

- Management by objectives (MBO): Setting measurable goals and regular tracking
- Dashboards and KPIs: Performance indicators for monitoring results
- Lean management: Process optimization and waste reduction
- Human resource management: Motivation, training, and team coordination
- Process automation: Using digital tools to enhance performance
- Agile management: Flexibility and rapid adaptation to organizational changes. (Mintzberg, 1994)

I.2.4. Key Functions of Operational Management

Operational management encompasses several core functions that contribute to organizational success:

- **Process Design and Optimization:** Developing efficient workflows that maximize resource utilization and minimize waste (Stevenson, 2022)
- **Quality Management:** Implementing quality control measures such as Total Quality Management (TQM) and Six Sigma to maintain high standards in products and services . (Chase, Jacobs, & Aquilano, 2021)
- **Supply Chain Management:** Managing suppliers, logistics, and inventory to ensure the timely availability of materials and distribution of finished goods.

- **Production and Service Management:** Overseeing production schedules, resource allocation, and workforce management to optimize performance.
- **Cost Control and Efficiency Improvement:** Identifying areas to reduce costs and enhance productivity through lean management and just-in-time (JIT) strategies.

I.2.5. Challenges in Operational Management

Despite its benefits, operational management faces several challenges, including:

- Managing Global Supply Chains: Dealing with logistics, transportation costs, and supplier relationships across multiple regions.
- Technological Advancements: Adapting to rapid changes in automation, AI, and digital transformation.
- Sustainability and Environmental Concerns: Balancing operational efficiency with eco-friendly practices.

SECTION II : DIFFERENCES AND COMPLEMENTARITY BETWEEN STRATEGIC AND OPERATIONAL MANAGEMENT

Management can be categorized into two primary levels: operational management and strategic management. While both contribute to an organization's success, they differ in scope, focus, and impact. Operational management deals with the day-to-day activities, ensuring efficiency in processes and resource utilization. In contrast, strategic management focuses on long-term goals, vision, and competitive positioning, guiding the organization toward sustainable success.

- Time horizon: Strategic management projects into the long term by defining sustainable directions, while operational management focuses on short- and medium-term actions to ensure immediate performance.
- Objectives: Strategic management aims for a global and sustainable orientation to ensure the company's longevity, whereas operational management implements these strategies through concrete and measurable actions.
- Decisions: Strategic decisions are complex and uncertain as they involve major issues, whereas operational decisions are more structured and repetitive, ensuring smooth daily operations.
- Responsible parties: Strategic management is carried out by executives and board members who define major strategic directions, while operational management is implemented by middle managers who oversee teams and processes.
- Tools: Strategic management relies on analysis and planning tools (SWOT, PESTEL, Balanced Scorecard), whereas operational management uses process management and performance tracking tools (KPIs, dashboards, quality management).
- Approach: Strategic management adopts an anticipatory and innovative approach to adapt to market evolutions, whereas operational management is more reactive and adaptive, responding to the organization's immediate needs.

Table 2 : Differences between strategic and operational management

Criteria	Strategic Management	Operational Management
Time horizon	Long term	Short and medium term
Objectives	Global and sustainable orientation	Execution of strategies
Decisions	Complex, uncertain	More repetitive and structured
Responsible parties	Executives, board of directors	Middle managers
Tools	Strategic analysis, planning	Process management, performance tracking
Approach	Anticipatory and innovative	Reactive and adaptive

Source : Author's elaboration

Strategic and operational management are interconnected: strategy sets the general direction, while operations translate this vision into concrete actions.

The success of organizations relies on a balance between strategic and operational management. A well-defined strategy must be accompanied by effective execution to ensure business performance and sustainability. Integrating innovative practices, encouraging flexibility, and ensuring rigorous monitoring of performance indicators are major levers for optimizing organizational management

In summary, operational management ensures smooth daily functioning, while strategic management defines the organization's future direction. Both are essential and must be aligned to achieve overall organizational success.

Conclusion :

This handbook on « *Management Principles* » has provided a structured exploration of key managerial concepts essential for understanding and applying effective management practices.

In *Chapter 1*: Introduction to Management, we established the foundational understanding of management, its significance in organizations, and the key functions that drive business success. Management was defined as the process of planning, organizing, leading, and controlling resources to achieve specific objectives efficiently.

Chapter 2: Approaches to Management examined the various schools of thought in management, including classical, behavioral, and contemporary approaches. These theories provide valuable insights into how organizations operate and adapt to evolving business environments.

In *Chapter 3*: The Difference Between Management and Leadership, we explored how management focuses on processes, structure, and efficiency, whereas leadership emphasizes vision, influence, and motivation. While both are crucial, their roles complement each other in driving organizational success.

Chapter 4: The 14 Principles of Management by Henri Fayol detailed the fundamental principles, that guide managerial decision-making, such as division of work, authority and responsibility, unity of command, and esprit de corps. These principles remain relevant in modern management practices and serve as a foundation for effective organizational operations.

Finally, *Chapter 5*: The Difference Between Operational Management and Strategic Management, highlighted the distinction between managing daily operations and long-term strategic planning. Operational management ensures efficiency in routine tasks, whereas strategic management focuses on long-term goals, market positioning, and competitive advantage.

In conclusion, this handbook provides a comprehensive understanding of management principles that are essential for effective decision-making, organizational success, and leadership development. By mastering these concepts, managers can create structured, efficient, and innovative workplaces that thrive in an ever-changing business environment.

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