

The Foundation of Management

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This article discusses the general principles that any manager in any industry would need to possess in order to proceed down a path of successful management.

The Four Principles of Management

Regardless of the type of industry or the type of organization, every manager shares a common ground. While performing management tasks, each manager depends upon the same four basic principles (planning, organizing, directing, and controlling). Many books and articles exist about management, its responsibilities, how to handle employees, what works and what doesn't, which organizational structures are more successful than others, etc., but when you could boil the ingredients of these books and articles down to the basics, you would be left with four principles - planning, organizing, directing, and controlling.

Planning

Planning is such a basic activity and forms a part of work and life. Some plan more formally than others but the bottom line is, all of us plan. Planning could be as simple as planning tomorrow's schedule or as complex as planning a complex project. We plan because planning helps us accomplish goals or objectives more efficiently and effectively.

In an organization three types of planning should exist (strategic, operational, and financial). In many organizations, a manager would be performing operational and financial planning. Objectives and goals would flow from a strategic plan, and the manager's role would be to determine how the organization will accomplish them. Financial planning would consist of developing a budget. An important point to understand is that the three types of planning are not mutually exclusive. A strategic plan at one level of the organization may create strategic, operational and financial planning at another.

Organizing

As was the case with planning, everyone performs some degree of organizing, whether it's at work or in our personal lives. Organizing involves three key areas – the work (activities, objectives or goals), the people (who, matching employee skills with activities, empowerment, authority and leadership structures) and the work area (physical flow, location of resources such as inventory, support and documentation – orders forms, SOPs, manuals, etc.).

While organizing, you should recognize the objective, identify the activities that need to be performed, identify who will perform the activities, and delegate when possible.

Directing

Directing deals exclusively with people. Directing implies controlling the activities of others toward the accomplishment of the objective. Managers are like movie directors. They control and direct the activities of the employees to accomplish the overall objective. In essence, the manager wants to find the best people (if that opportunity presents itself), give them the responsibility to get the work done, communicate what activities they need to perform, explain how to do the activities if necessary, and motivate them as to the importance of the objective.

A manager does not actually perform the work, but direct others to accomplish the work. In small organizations it may be required that managers also perform the work, but it is important to recognize that while the manager is wearing the manager's hat, others perform the work.

Controlling

Another term to use for controlling is measuring. Once again most individuals perform this function whether it's related work or personal situations. For example, most of us budget in our personal lives, some better than others. Here we measure our actual expenditures against available funds.

A measurement system can highlight:

- 1) the progress toward an objective.
- 2) problem areas if designed and used properly.
- 3) where in the process the problem exists.
- 4) trends.

As a final thought, a measurement system should have certain attributes. It should

- 1) contain information that is timely and relevant to assist the manager's decisions.
- 2) improve the manager's decisions by flagging or highlighting problems.
- 3) include the total operation.

Do not underestimate the importance of the four principles of management. As a manager you will perform these tasks every day and in just about every function that you do. Your success and that of your organization depends upon these management principles.