

## IM\_Functions of Mgt\_Lecture\_1

**IM:** The branch of engineering that deals with the creation and management of systems that integrate people and materials and energy in productive ways.

**Industrial management**, as a field of Commerce & business administration, studies the structure and organization of industrial companies. It comprises those fields of business administration that are necessary for the success of companies within the manufacturing sector and the encompassing services (primarily operations management, marketing, and financial management).

**Management:** Management is a process of accomplishing certain objectives through the utilization of human and other resources.

The **Five Functions of Management** by Henri Fayol in a practical way. After reading you will understand the basics of these powerful **principles of management**.

The Five Functions of Management are:

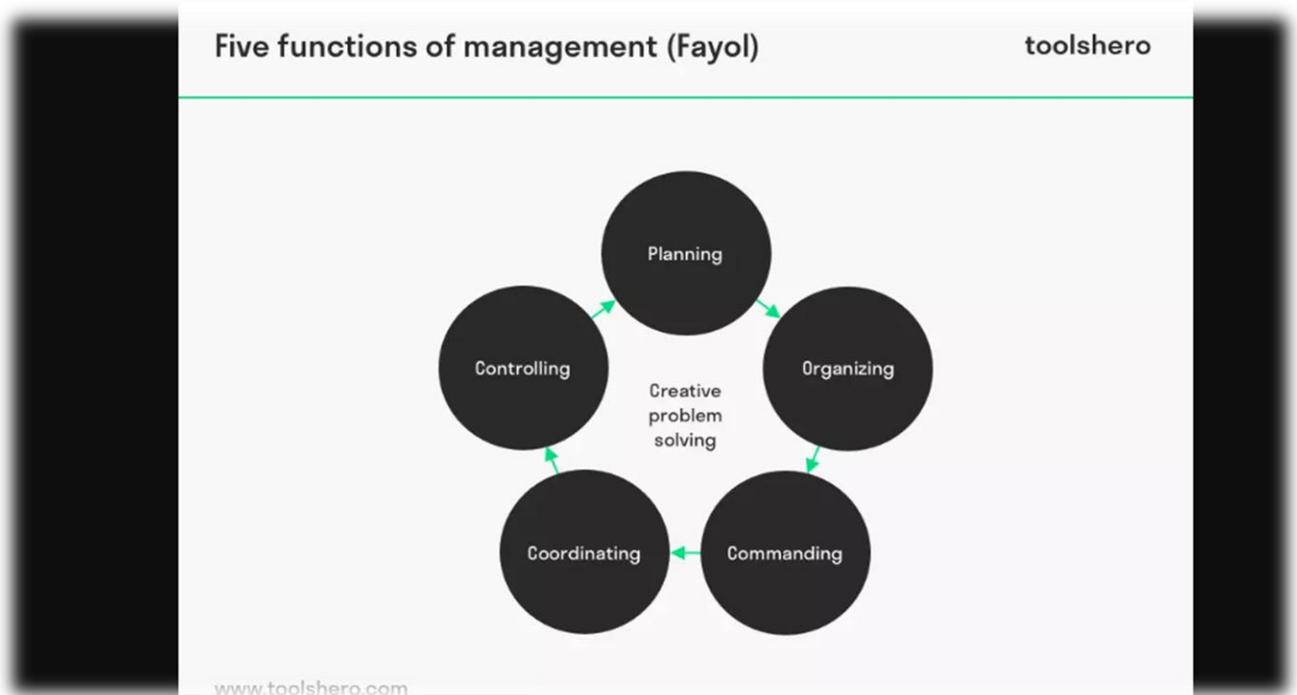
1. Planning
2. Organizing
3. Commanding
4. Coordinating
5. Controlling

### Introduction of the Five Functions of Management

At the beginning of the last century (1916) the French engineer Henri Fayol created the first **principles of management** theory. Henri Fayol is classified as the founding father of for example the line and staff organization. Based on his experience as a successful director of a mining company, he developed several theories that are still relevant today. At the time, managers had no formal training. However, the increasing complexity of organizations created a need for professional management.

## Five Functions of Management

Henri Fayol gained world-wide fame for his 14 general principles of management. He distinguished six general activities for industrial enterprises: technical, commercial, financial, security, accounting and managerial. He defined five functions of management for the management component and these are still seen as relevant to organizations today. These five functions focus on the relationship between personnel and its management and they provide points of reference so that problems can be solved in a creative manner.



### 1. Planning

Planning is looking ahead. According to Henri Fayol, drawing up a good plan of action is the hardest of the five functions of management. This requires an active participation of the entire organization. With respect to time and implementation, planning must be linked to and coordinated on different levels. Planning must take the organization's available resources and flexibility of personnel into consideration as this will guarantee continuity.

## **2. Organizing**

An organization can only function well if it is well-organized. This means that there must be sufficient capital, staff and raw materials so that the organization can run smoothly and that it can build a good working structure. The organizational structure with a good division of functions and tasks is of crucial importance. When the number of functions increases, the organization will expand both horizontally and vertically. This requires a different type of leadership. Organizing is an important function of the five functions of management.

## **3. Commanding**

When given orders and clear working instructions, employees will know exactly what is required of them. Return from all employees will be optimized if they are given concrete instructions with respect to the activities that must be carried out by them. Successful managers have integrity, communicate clearly and base their decisions on regular audits. They are capable of motivating a team and encouraging employees to take initiative.

## **4. Coordinating**

When all activities are harmonized, the organization will function better. Positive influencing of employees behavior is important in this. Coordination therefore aims at stimulating motivation and discipline within the group dynamics. This requires clear communication and good leadership. Only through positive employee behavior management can the intended objectives be achieved.

## **5. Controlling**

By verifying whether everything is going according to plan, the organization knows exactly whether the activities are carried out in conformity with the plan.

### **Control takes place in a four-step process:**

1. Establish performance standards based on organizational objectives
2. Measure and report on actual performance
3. Compare results with performance and standards
4. Take corrective or preventive measures as needed