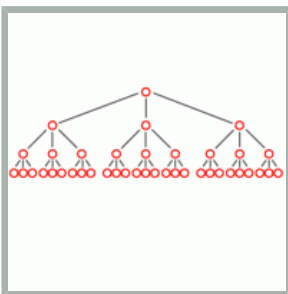


fourteen principles of management



characteristics

author:	Fayol, Henri
country:	France
period:	1919
type:	model
role:	consultant and manager
activity:	analyse and reflect
topic:	org. design & development and leadership & management
abstr. level:	organisation
perspective:	rational
status:	final
module:	classics I
comments:	2

description:

Henri Fayol, the father of the school of Systematic Management, realised that organisations were becoming more complex and required their managers to work more professionally. His motivation was to create a theoretical foundation for an educational program for managers who lacked formal training in those days. Basing his work on his experience as a successful managing director of a mining company, he developed generic 'Principles of Management' to help organisations achieve optimum performance working toward their goals.

Fayol described fourteen Principles of Management with the understanding that his list was neither exhaustive, nor universally applicable:

1. *Division of labour*

achieving the maximum efficiency from labour through specialisation across all aspects of organisation (commercial, financial, security, accounting, managerial) rather than just technical activities. Fayol did not provide the level of detail that Taylor's competing Scientific Management school prescribed. Scientific Management broke individual operational tasks into its basic elements. Fayol claimed that division of labour is limited as an instrument to achieve optimum performance.

2. *Establishment of authority*

having the legitimate standing to give orders. Authority arises from two sources: official and personal. Experience, intelligence, integrity and leadership ability are indispensable complements of a manager's official authority. Managers need to act knowing that authority and responsibility are positively correlated.

3. *Enforcement of discipline*

upholding discipline is a core activity when running an organisation, although its form varies across organisations. Management can sanction employees with warnings, penalties, demotions or even dismissals.

4. *Unity of command*

an employee should receive orders from one supervisor only. Dual command generates tension, confusion and conflict, and results diluted responsibility and blurred communication.

5. *Unity of direction*

a common objective for a group of activities is an essential condition to obtaining unity of action, coordination of strength and the focusing of effort.

6. *Subordination of individual interest to the interests of the organisation*

reconciling general interest with that of the group or the individual is one of the greatest problems managers face and applies to the relationship between staff and supervisor as well. Too often, managers pursue personal interest rather than the common good.

7. *Fair remuneration for all*

Fayol determined compensation for services by considering both financial and non-financial factors and held that employee satisfaction is dependent on the composition of this mix.

8. *Centralisation of control and authority*

Fayol choose the 'living organism' as metaphor for an organisation when considering centralisation versus decentralisation. The level of centralisation is a matter of proportion as is the division of labour.

9. *Adoption of a 'scalar chain'*

the chain of supervision that connects the managing director to the lowest ranks. Fayol combined hierarchy that makes employees aware of their place and duties, with an organisation's lines of communication. When swift action is required, Fayol's grasp of the limitations of the formal organisation made him propose a system of delegated authority that facilitates horizontal communication.

10. *A sense of order and purpose*

a place for everything and everything in its place. Facilities must be tidy, materials orderly stored and staff selected according to strict procedures and clear job descriptions. Fayol advocated the creation of detailed organisational charts to support this Principle.

11. *Equity and fairness*

in dealings between staff and managers equity is the combination of justice and kindness. Managers must constantly apply the correct balance between equity and discipline.

12. *Stability of jobs and positions*

Fayol viewed personnel planning, management development and turnover as one activity. Both staff and management require suitable induction periods to familiarise themselves with new work habits and situations.

13. *Development of individual initiative*

Initiative is the power to conceive a plan and ensure its success. Although Fayol regarded management as the first responsible level, he made clear that the Principle extended to all employees through delegated authority.

employees through delegated authority.

14. *Esprit de Corps*

building and maintaining staff and management morale and unity. Fayol considered the management style of 'divide and rule' counter productive. The Principles can still be used to identify structural flaws and sources of conflict within an organisation.

assets:



fourteen principles of management

ProvenModels • editor PM • version 0.2 • 59 KB



three organisation charts

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pros:

- Although Principles such as Stability of jobs and positions and Division of labour seem a product of their times, other aspects such as the need to specialise, unity of command, clear reporting relationships in a formal structure, and the need to coordinate activities among specialised groups, are relevant today.
- Fayol provided a language to communicate management theory. He held that teaching was impossible without theory. His Principles prioritised issues for senior management and prescribed solution directions.
- Gulick and Urwick continued Fayol's work by providing empirical evidence. Gulick showed that a maximum span of control of seven employees per manager in US schools was most effective.
- In contrast to the key beliefs of Scientific Management, Fayol held that managers should perceive organisations as living organisms rather than mechanical machines.

cons:

- In 1946, Simon skilfully argued that that the principles of administrative management described by Fayol, Urwick and Gulick were vague and contradictory and could not be used as guidance. A decade later, Contingency Theory showed that structuring organisations depended on external circumstance. Systematic Management takes a 'tabula rasa' approach by ignoring previous history, context and human behaviour.
- Fayol regarded an organisation's size as the one differentiating factor and omitted variables such as culture or technology.
- Fayol focused more on the issue of internal optimisation than external adaptability. His experience originated in large, formal organisations that operated in slowly changing environments.

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