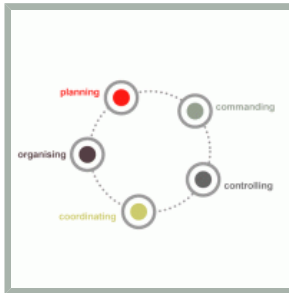


## five functions of management



### characteristics

author:	Fayol, Henri
country:	France
period:	1916
type:	model
role:	change agent and manager
activity:	design, plan, implement and reflect
topic:	org. design & development and leadership & management
abstr. level:	organisation
perspective:	living
status:	final
module:	classics I
comments:	3

### description:

Henri Fayol, the father of the school of Systematic Management, was motivated to create a theoretical foundation for a managerial educational program based on his experience as a successful managing director of a mining company. In his day, managers had no formal training and he observed that the increasing complexity of organisations would require more professional management.

Fayol's legacy is his generic Principles of Management. Of Fayol's six generic activities for industrial undertakings (technical, commercial, financial, security, accounting, managerial), the most important were The Five Functions of Management that focused on the key relationships between personnel and its management.

The Five Functions are:

#### 1. PLANNING

drawing up plans of actions that combine unity, continuity, flexibility and precision given the organisation's resources, type and significance of work and future trends. Creating a plan of action is the most difficult of the five tasks and requires the active participation of the entire organisation. Planning must be coordinated on different levels and with different time horizons;

#### 2. ORGANISING

providing capital, personnel and raw materials for the day-to-day running of the business, and building a structure to match the work. Organisational structure depends entirely on the number of employees. An increase in the number of functions expands the organisation horizontally and promotes additional layers of supervision;

#### 3. COMMANDING

optimising return from all employees in the interest of the entire enterprise. Successful managers have personal integrity, communicate clearly and base their judgments on regular audits. Their thorough knowledge of personnel creates unity, energy, initiative and loyalty and eliminates incompetence;

#### 4. COORDINATING

unifying and harmonizing activities and efforts to maintain the balance between the activities of the organisation as in sales to production and procurement to production. Fayol recommended weekly conferences for department heads to solve problems of common interest;

#### 5. CONTROLLING

identifying weaknesses and errors by controlling feedback, and conforming activities with plans, policies and instructions. Fayol's management process went further than Taylor's basic hierarchical model by allowing command functions to operate efficiently and effectively through co-ordination and control methods. For Fayol, the managing director overlooked a living organism that requires liaison officers and joint committees.

The American Luther Gulick and Brit Lydnall Urwick expanded Fayol's list to seven executive management activities summarised by the acronym POSDCORB:

- planning: determine objectives in advance and the methods to achieve them;
- organising: establish a structure of authority for all work;
- staffing: recruit, hire and train workers; maintain favourable working conditions;
- directing: make decisions, issue orders and directives;
- coordinating: interrelate all sectors of the organisation;
- reporting: inform hierarchy through reports, records and inspections;
- budgeting: depend on fiscal planning, accounting and control.

### assets:



five tasks of management

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### pros:

- Fayol provided a language to communicate management theory and establish a foundation for management training.
- Managers should perceive organisations as living organisms that require constant attention rather than as mechanical machines.

### cons:

- The principles describe a vision rather than reality and are based on Fayol's own experience rather than empirical research. Later studies by Mintzberg and Kotter found that successful managers spend little time carrying out Fayol's activities and rely more on cultivating networks and personal contacts.

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