

Knowledge Sprint

Henry Fayol's 14 principles in Management

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We will cover in this module like -

- Introduction to Henry Fayol
- Definition of Management
- Understanding of Industrial Activities
- Fayol's 14 general principles of management
- Appreciation
- Criticism



Introduction Of Henry Fayol (1841-1925)

- He was a French mining Engineer
- He was known as founder of “Management Process School”
- Also as first “Management Theoretician”
- His outstanding contribution to management theory comes from his book called “ Administration Industrielle et Generale” that was published in year 1916
- This book was best known for Classical administrative theory. and its english version of book was called as “General and Industrial Management”, published

o Henri Fayol(1841-1925)

Note - Fayol got nobel prize for his research in metallurgy



Father of
modern operational
management theory

Definition of Management

- Fayol, defined management as in terms of five elements. Those are -
 1. Planning → act of forecast future, and draw an action plan accordingly
 2. Organizing → structuring human resources into undertake jobs, departments, act on action plan, use of material resources
 3. Commanding → it is an act to set the human resources, towards organizational objectives
 4. Co-ordinating → to develop unity and harmony for all organizational activities
 5. Controlling → it is to see that everything occurs as per conformity with established rule and expressed command
- The elements of fayol are accepted as universal principles, that are part of managerial activities, that can be applied in both public and private organisations

Understanding of Industrial Activities

- Henry Fayol conducted some research in industrial activities and concluded that an industrial activities can be categorised into 6 types -

1. Technical Activities → Production, manufacture, adaptation
2. Commercial Activities → buying, selling, exchange
3. Financial Activities → use of optimum capital and resources
4. Security Activities → Protection of property and persons
5. Accounting Activities → Stock taking, balance sheet, costs, statistics
6. Managerial Activities → Planning, organizing, command, coordination, control

- Based on his experience of working in mining industry and also his research, he concluded some 'general principles of management', which are 14 in number.
- Let us see those 14 principles one by one

1. Division of work	<ul style="list-style-type: none"> - It means to specialise the work into managerial and non-managerial job - This specialisation helps to increase to built up skills, increase production
2. Authority and responsibility	<ul style="list-style-type: none"> - Authority means, a manager should have power to give commands - Responsibility must go hand on hand with authority
3. Discipline	<ul style="list-style-type: none"> - It implies, employees should obey orders of management
4. Unity of command	<ul style="list-style-type: none"> - Each employee should receive orders only from one supervisor - It eliminates conflicts of command
5. Unity of Direction	<ul style="list-style-type: none"> - People engaged in a similar group of activities must have same objectives
6. Subordination	<ul style="list-style-type: none"> - Here it means, employee must be subordinated to overall interests of the organisation

7. Fair Remuneration for effort	<ul style="list-style-type: none">- A fair remuneration should be paid to employee for his effort- It must be under constant attention of manager
8. Centralisation or Decentralisation	<ul style="list-style-type: none">- Whether to centralise or decentralise the organisation, it depends up on the structure, nature of its operations, culture of its staff and its business
9. Scalar Chain	<ul style="list-style-type: none">- It means a line of authority, where every employee reports to his supervisor, and chain is maintained from top to bottom structure of organisation
10. Order	<ul style="list-style-type: none">- Refers to material order and social order necessary for proper functioning of organisation
11. Equity	<ul style="list-style-type: none">- All the employees must be treated with fairness, kindness and justice
12. Stability of tenure	<ul style="list-style-type: none">- Stability of tenure of job among personnel, is necessary for successful operation of organisation
13. Initiative	<ul style="list-style-type: none">- All personnel of organisation must be encouraged to take initiative, it helps for growth of organisation

14. Esprit De Corps

- It refers to raise of morale, motivate the employees of organisation

- These principles help managers as guidelines in performance of their duties
- The principles must be flexible and adaptable as per business needs and situations

Appreciation on 14 principles of Henry Fayol -

1. Leading contributor for development of Principles of Organisation or administration
2. Credit for creation of Scalar Chain goes to him
3. His principles today became part of managerial know-how
4. Today his principles widely used
5. Fayol was first person to formulate complete theory of management, that paved way for modern thinkers to develop further
6. His place in history is secure
7. He made remark his mark in European countries, as F.W. Taylor in USA

Criticism on 14 principles of Henry Fayol -

1. According to few management experts his theory is incomplete and narrow
2. His 14 principles are analysed from top-bottom approach only
3. Much attention on Functional aspect and neglects structural aspects
4. Few principles overlap each other
5. Too formal - Fayol's theory is said to be very formal. However, in any scientific and analytical study facts and observations have to be presented in a formal manner.
6. Vague - Some of the concepts have not been properly defined
7. Inconsistency: Principles of management theory were based on personal experience and limited observations. There is too much generalizations and lack empirical evidence.
8. Pro-management Bias: Administrative theory does not pay adequate attention to workers. Workers are treated as biological machines or inert instruments in the work process



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