**Theme 1 - Henri Fayol – General principles of Management**

**He suggested the following 14 principles as the general principles of management:**

1. **Division of work:** the object of division of work is to product more and bettwe work with the same effort.
2. **Authority and Responsibility:** Authority is the right to give orders and the power to exact obedience. Distinction must be made between a mangers official authority deriving from office and person authority. Authority is not to be conceived of apart from responsibility, that is apart from sanction- reward or penalty- which goes with the existence of power. *Responsibility is a corollary of authority, it is its natural consequence and essential counterpart, and wheresoever authority is exercised responsibility arises.*
3. **Disclipline:** being the outcome different varyine agreements, naturally appears under the most diverse forms; obligation of obedience application, energy vary from one firm to another, from one group of employees to another. General opinion is deeply convinced that discipline is absolutely essential for the smooth running of business and that without discipline no enterprise could prosper.
4. **Unity of Command:** this principle empahsise that an employee should receive orders from one superior only, if it is violated, authority is undermined, discipline is in jeopardy, order distributed and stability threatened.
5. **Unity of direction:** one head and one plan for a group of activities having the same objective.
6. **Subordination of individual interest to the general interest:** calls to mind the fact that in a business the interest of one employee or group of employees should not prevail over that of the concern.
7. **Remuneration (payment/compensation) or personnel :** remuneration of personnel is the price of the services rendered. It should be fair and afford satisfaction both to personnel and firm. 3 modes of payment in use: time rates, job rates and piece rates. Also mentioned about bonuses and profit sharing and non financial incentives.
8. **Centralisation:** everything which goes to increase the importance of the subordinates role is decentralised, everything which goes to reduce it is centralisation. The question of centralisation or decentralisation is a simple question of proportion it is a matter of finding hte optimum degree for the particular concern.
   1. if the moral worth of the manager, his strength, intelligence, experience and swiftness of though allow him to have a wide span of activities he will be able to carry centralisation.
   2. Conversely if he prefers to have greater recourse to the experience of his colleagues whilst reserving himself the privilege of giving central directives, he can effect considerable decentralisation.
9. **Scaler chain (line of authority):** the scalar chain is the chain of superiors from the ultimate authority to the lowest ranks.
10. **Order:** a place for everyone and everyone in his place. He classifies two types of order as *material* order, which means everything must be in its appointed place and *social* order, which presupposes the most successful execution of the two most difficult managerial activities: good organisation and good selection. Social order demands precise knowledge of the human requirements and resources of the concern and a constant balance between these requirements and resources.
11. **Equity:** desire for equity and equality of treatment are aspiration to be taken into account in dealing with workers.
12. **Stability of tenure of personnel:** Time is required for an employee to get used to new work and succed in doing it well, always assuming that he possesses the requisite abilities. If he has got used to it, of before then he is removed he will not have had time to render worthwhile service. If this was repeated the work wull never be properly done. Generally the managerial personnel of prosperous concerns is stable, that of unsuccessful ones is unstable. Instability of tenure is at one and the same time cause and effect of bad running. In common with all the other principles stability of tenure and personnel is also a q of proportions.
13. **Initiative :** much tact and some integrity are required to inspire and maintain everyones initiative within the limits imposed, by respect for authority and for discipline. The manger msut be able to sacrifice some personal vanity in order t o grant this sort of satisfaction to subordinates.
14. **Esprit de corps:** means union is strength. Harmony, union among the personnel of a concern is a great strength to the concern. The principle to be ovserved is unity of command; the dangers to be avoided are 1.a misguide interpretation of the motto divide and rule, 2 abuse of written communications
    1. Personnel must not be split up, dividing enemy forces to weaken them is clever but divind ones own team is a grave sin against the business.
    2. Abuse of written communications. Wherever possible contact should be verbal; there is gain in speed, clarity and harmony