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# **Contribution of Henry Fayol**

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- Perhaps, the real father of modern management theory is the French industrialist **Henry Fayol**.
  - His contributions are generally termed as operational management or Administrative management.
  - Fayol looked at the problem of managing organization from the top management point of view.
  - He has used the term "Administration" instead of "Management" emphasizing that there is unity of science of administration.
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- He has emphasized that principles of management is a universal phenomenon.
- However, he has also emphasized that principles of management are flexible and not absolute and are usable regardless of changing and special conditions.
- Fayol found that activities of an industrial organization could be divided into six groups:
  - 1. Technical**
  - 2. Commercial**
  - 3. Financial**
  - 4. Security**
  - 5. Accounting**
  - 6. Managerial**

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- Fayol has divided his approach of studying management into three parts:

**1. Managerial Qualities and Training**

**2. General Principles of Management**

**3. Elements of Management Training**

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## **1. Managerial Qualities and Training**

- According to him, there are six types of qualities that a manager requires.
  
  - Physical (health, Vigor (Energy), and Address)
  - Mental (ability to understand or learn, judgment)
  - Moral (firmness, initiative, loyalty, tactful)
  - Educational
  - Technical (Particular to the function being performed)
  - Experience (Arising from the work)
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## **2. General Principles of Management**

- Management principle is a fundamental truth and establishes cause-effect relationship.
  - Management elements denotes the function performed by a manager.
  - He has emphasized on two things:
    1. The list of principles is not exhaustive (complete) but suggestive and has discussed only those principles which he followed on most occasions.
    2. Principles of management are not rigid, but flexible.
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## **1. Division of Work**

- To take the advantage of specialization
  - Work on the same part
    - i.e. manager concerned with same matters (Demand forecasting)
  - Acquire an ability, sureness, accuracy which increases their output.
  - Each change of work bring training & adoption which reduces output.
  - At all level of organization
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## 2. Authority and Responsibility

- Official authority derives from the manager position
  - Personal authority is derived from personal qualities such as intelligence, experience, morality, etc...
  - Responsibility arrives out of assignment of activity
  - There should be parity of authority & responsibility
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## 3. Discipline

- Discipline is obedience behaviors and outward mark of respect shown by employees.
  - Self imposed discipline springs from the within the individual.
  - Command discipline stems from a recognized authority to secure compliance with desired action, which is expressed by established customs, rules, and regulations.
  - Command discipline is in form of remunerations, warnings, suspensions, and dismissals, etc...
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## **4. Unity of Command**

- A person should get order and instructions from only one supervisor.
  - Less number of problem in conflicts in instructions and greater is the feeling of personal responsibilities for results.
  - Contrary to Taylor's Functional Foremanship
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## **5. Unity of Direction**

- Each group of activities with the same objectives must have one head and one plan.
  
- Unity of direction concerned with functioning of organization

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## **6. Subordination of Individual interest to General Interest**

- Common Interest is above individual interest
  - Individual interest must be subordinate to general interest when there is conflict between two.
  - Ambition, laziness, weakness, etc... tend to reduce the importance of general interest.
  - Continuous vigilance (watchfulness for danger) and supervision is desired.
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## 7. Remuneration of Personnel

- It must be fair & Provide maximum satisfaction to employee & Employers
- He did not favor profit-sharing plan for worker but advocated it for managers
- Non-financial benefits must be given.

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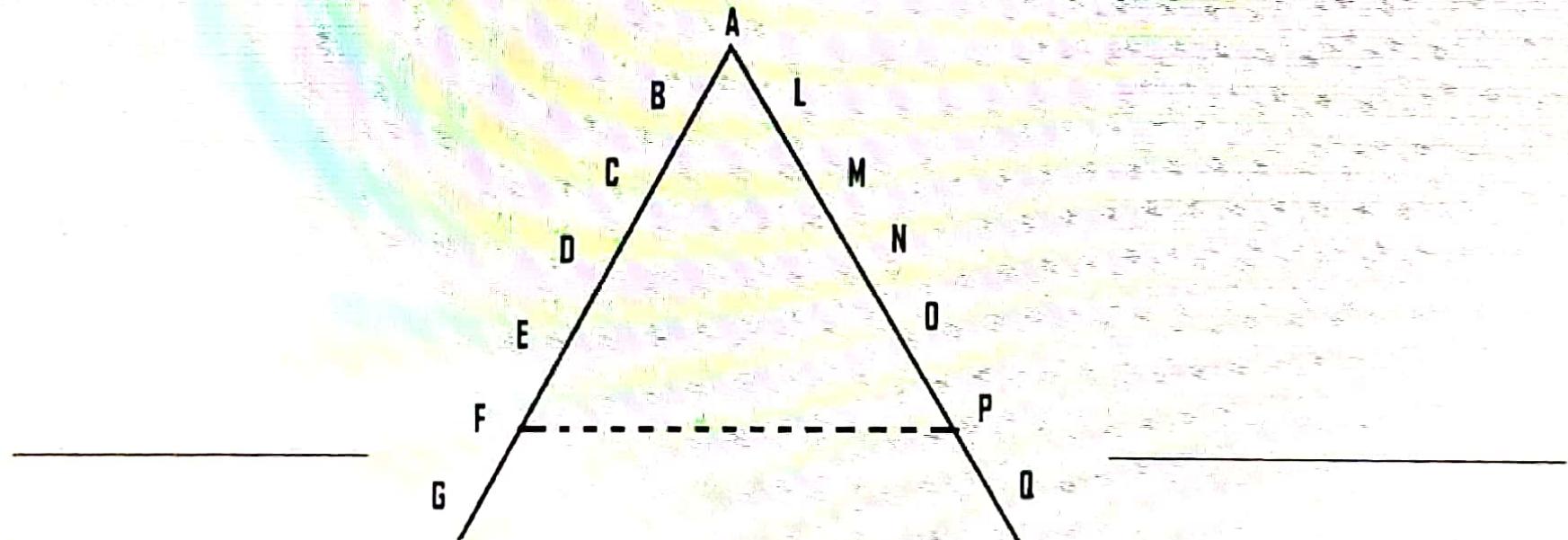
## **8. Centralisation**

- Subordinates role increases in decentralisation and vice versa
- In small firm, centralisation is the natural, but in large scale firm, series of intermediaries require
- Share of authority & Initiative left to intermediaries depend on the personal character of manager, his moral, the reliability of subordinate, and also conditions of the business.
- Degree of centralisation and decentralisation is desirable, it may very constantly.

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## 9. Scalar Chain

- Communication going up or down, must flow through each position, in the line of authority.
- Short circuited only in special circumstances.
- For that Fayol, suggested “**Gang Plank**”



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## **10. Order**

- Arrangements of things and people
- Material Order
- Social order (Right man at Right Place)
- Balance between requirements and resources



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## **11. Equity**

- Combination of justice and kindness.
  - Equity in treatment & behaviour is liked by everyone and it brings loyalty .
  - Good sense, knowledge, and experience
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## **12. Stability of Tenure**

- No employee should remove in short time
- Reasonable security of job
- Avoid unnecessary tenure

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## **13. Initiative**

- Within the limits of authority & responsibility, manager should encourage their employee for taking initiative.
  - Thinking out & Execution of plan
  - It increases Zeal and Energy
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## **14. Esprit de Corps**

- Union is the real strength
  
- Establishing the team work

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## **3. Elements of Management Training**

- He enlisted certain elements of management as follows:
- Planning
- Organizing
- Commanding
- Coordinating
- Controlling