



HENRI FAYOL'S

14 Principles of Management

1. DIVISION OF WORK:

- ✦ Work should be divided among individuals and groups to ensure that effort and attention are focused on special portions of the task. Fayol presented work specialization as the best way to use the human resources of the organization.



2. AUTHORITY:

- ✦ The concepts of Authority and responsibility are closely related. Authority was defined by Fayol as the right to give orders and the power to exact obedience. Responsibility involves being accountable, and is therefore naturally associated with authority. Whoever assumes authority also assumes responsibility.

3. DISCIPLINE:

- ✦ A successful organization requires the common effort of workers. Penalties should be applied judiciously to encourage this common effort.



4. UNITY OF COMMAND

- ✦ Workers should receive orders from only one manager.



5. UNITY OF DIRECTION:

- ✦ The entire organization should be moving towards a common objective in a common direction.



6. SUBORDINATION OF INDIVIDUAL INTERESTS TO THE GENERAL INTERESTS:

- ✦ The interests of one person should not take priority over the interests of the organization as a whole.



7. REMUNERATION:

- ✦ Many variables, such as cost of living, supply of qualified personnel, general business conditions, and success of the business, should be considered in determining a worker's rate of pay.



8. CENTRALIZATION:

- ✦ Fayol defined centralization as lowering the importance of the subordinate role. Decentralization is increasing the importance. The degree to which centralization or decentralization should be adopted depends on the specific organization in which the manager is working.

9. SCALAR CHAIN:

- ✦ Managers in hierarchies are part of a chain like authority scale. Each manager, from the first line supervisor to the president, possess certain amounts of authority. The President possesses the most authority; the first line supervisor the least. Lower level managers should always keep upper level managers informed of their work activities. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.

10. ORDER:

- ✦ For the sake of efficiency and coordination, all materials and people related to a specific kind of work should be treated as equally as possible.



11. EQUITY:

- ✦ All employees should be treated as equally as possible.



12. STABILITY OF TENURE OF PERSONNEL:

- ✦ Retaining productive employees should always be a high priority of management. Recruitment and Selection Costs, as well as increased product-reject rates are usually associated with hiring new workers.



13. INITIATIVE:

- ✦ Management should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self direction.



14. ESPIRIT DE CORPS:

- ✦ Management should encourage harmony and general good feelings among employees.

