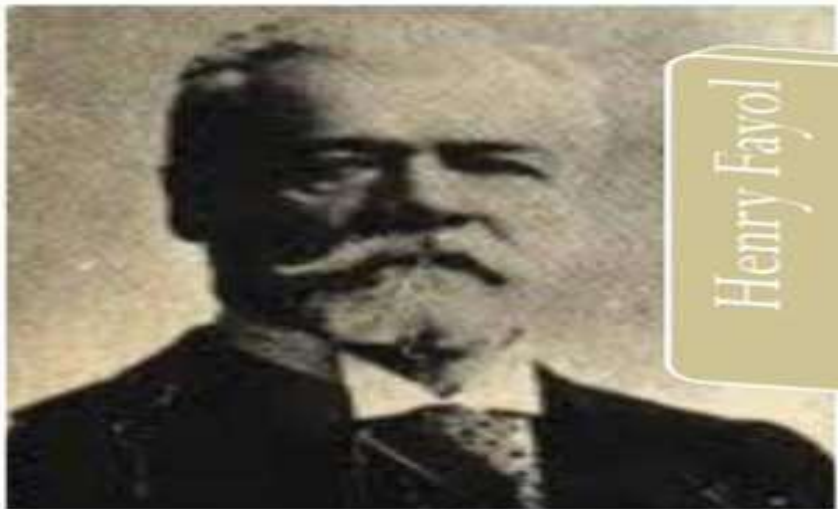


ADMINISTRATIVE MANAGEMENT

Administrative Management: Fayol's Principles



Henry Fayol

Administrative
Management
Theory

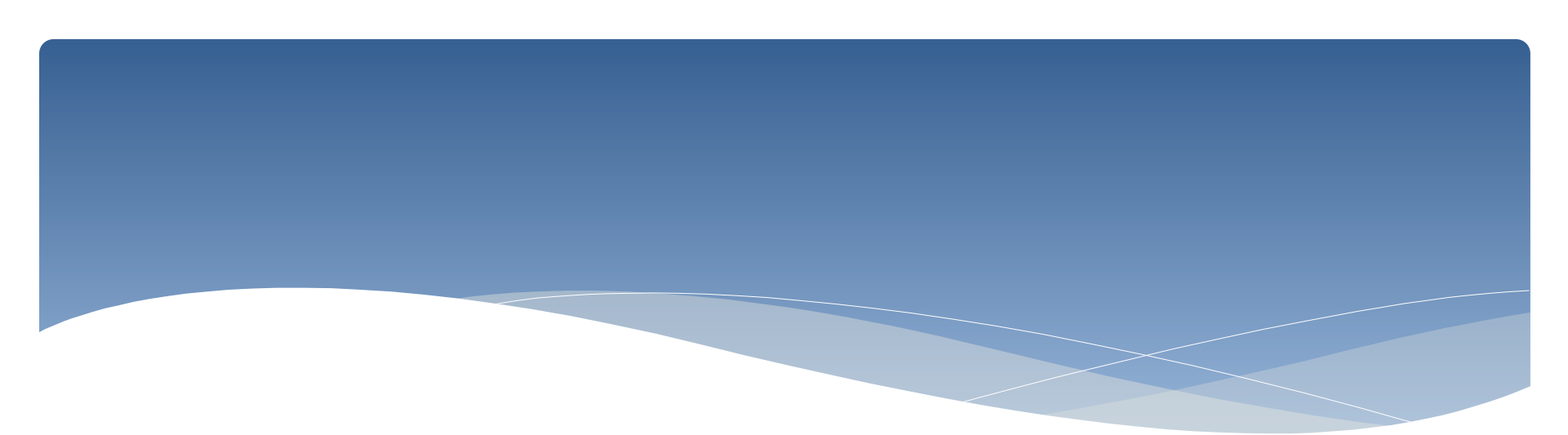
ADMINISTRATIVE MANAGEMENT

- * Administrative management is the process of managing information through people. This usually involves performing the storage and distribution of information to those within an organisation.
- * Represent top level management performing thinking and planning functions.
- * It performs the function of formulation of vision, mission and strategies.

HENRY FAYOL(1841- 1925)



- Henri Fayol was a French mining engineer.
- Later he turned out to be a leading industrial and successful manager.
- He wrote a monograph in French in 1916 titled “General and Industrial Administration”.

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- * He is considered as the Father of Administrative Management Theory.
 - * Developed a general theory of business administration that is often called Fayolism.
 - * Fayolism- *a theory of management that analyzed and synthesized the role of management in organizations.*

14 Principles of Management

- * Division of Work
- * Authority and Responsibility
- * Discipline
- * Unity of Command
- * Unity of Direction
- * Subordination of Individual Interest to General Interest
- * Remuneration

PRINCIPLES
OF
MANAGEMENT
OF
HENRY FAYOL

14 Principles of Management

- * Centralization
- * Scalar Chain
- * Equity
- * Order
- * Stability of Tenure of Personnel
- * Initiative
- * Esprit de Corps

PRINCIPLES
OF
MANAGEMENT
OF
HENRY FAYOL

Division of Work

- Work should be divided among individuals and groups.
- When employees are specialized, output can increase because they become increasingly skilled and efficient.
- It produces more and better work with the same effort.
- Fayol said that work specialization is the best way to use the human resources of the organisation.

Authority and Responsibility

- * 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.
- * Managers must have the authority to give orders, but they must also keep in mind that with authority comes responsibility.
- * Responsibility is closely related to authority and it arises wherever authority is exercised

Discipline

- * Discipline means obedience to authority, observance of the rules and norms of performance, respect for agreements, sincere efforts for completing the given job, respect for the superiors and the organization, etc.
- * The best means of maintaining discipline are good supervisors at all levels, clear and fair agreements between the employees and the employer, and judicious application of penalties.

Unity of Command

- * Each employee should receive instructions about a particular work from one superior only.
- * If there were to be more than one superiors, the employee would be confused due to conflict in instructions.

Unity of Direction

- * Teams with the same objective should be working under the direction of one manager, using one plan.
- * Fayol advocates "One head and one plan" which means that group efforts on a particular plan be led and directed by a single person.
- * This enables effective co-ordination of individual efforts and energy.

Subordination of Individual Interest to General Interest

- * First priority to general interest.
- * An individual is always interested in maximizing his own satisfaction through more money, recognition, status, etc. It is very often against the general interest of the organisation.
- * The interests of one employee should not be allowed to become more important than those of the group.

Fair Remuneration to employees

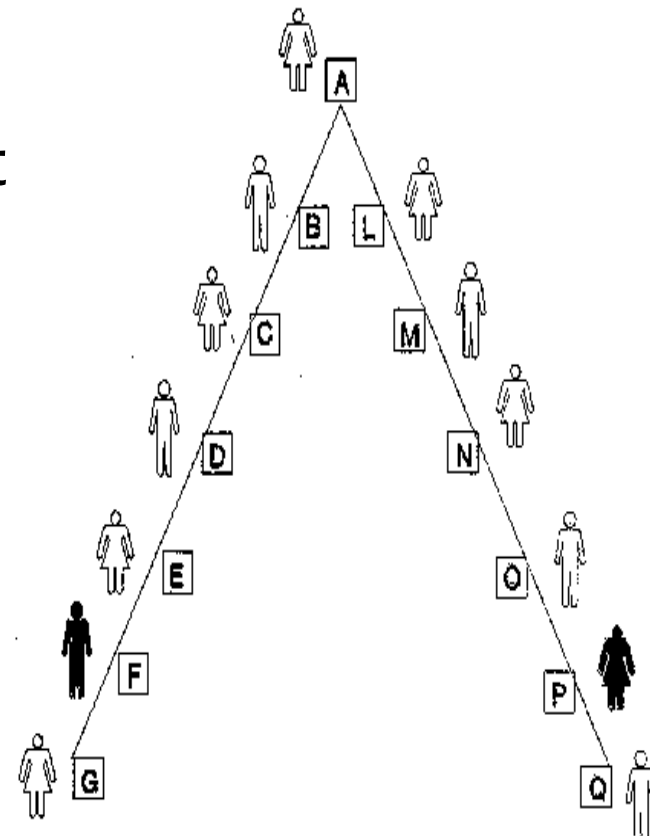
- * According to Fayol wage-rates and method of their payment should be fair, proper and satisfactory.
- * Fair remuneration increases workers' efficiency and boost their morale.
- * It also plays a vital role in making the relations of the employees and the management better.

Centralization & Decentralization

- * Fayol defined centralization as lowering the role and importance of the subordinate role.
- * Decentralization is increasing the importance of subordinate.
- * According to Fayol should be proper and effective adjustment between centralization and decentralization in order to achieve maximum objectives of the business.

Scalar Chain

- * **Scalar chain** is the formal line of authority which moves from highest to lowest rank in a straight line. This chain specifies the route through which the information is to be communicated to the desired location/person.





- * Fayol emphasized that every information in the organization must flow according to this chain to facilitate clear communication of orders of the superiors and feelings of the subordinates.
- * It consumes a lot of time to pass information.

GANG PLANK



Order

- * “right place for everything and right man at right place”
- * There should be proper, systematic and orderly arrangement of physical and social factors, such as land, raw materials, tools and equipments and employees respectively.
- * There should be an orderliness in work through suitable organization of men and materials.

EQUITY

- Management should treat all its employees as equally as possible.
- Managers should be free from all prejudices, personal likes or dislikes.
- It ensures healthy industrial relations between management and labour.
- This will create loyalty and devotion among the employees.

Stability of Tenure of Personnel

- Workers should be assured of the security of job by the management.
- This is important to motivate them and extract better work from them.
- If they fear for job security, their morale will be low and they cannot give efficient work.
- Also, they will not have any sense of attachment to the organization and they will always be on the lookout for a job elsewhere.

INITIATIVE

- * Under this principle, the successful management provides an opportunity to its employees to suggest their new ideas, experiences and more convenient methods of work
- * Employees should be given the necessary level of freedom to create and carry out plans.
- * Employees should be encouraged to make all kinds of suggestions to conceive and carry out their plans.

ESPRIT DE CORPS

- * This term means team spirit.
- * Harmony and unity among the employees is a great source of strength to the organization.
- * To achieve this, the motto of divide and rule should be avoided. And, verbal communication should be used for removing misunderstandings.



Thank you