

#### **14 Principles of Management - Henri Fayol**

Henri Fayol (1841-1925) was a French management theorist whose theories in management and organisation of labour were widely influential in the beginning of 20th century. He was a mining engineer who worked for a French mining company Commentry-Fourchambault-Decazeville, first as an engineer, then moved into general management and Managing Director from 1888 to 1918.

During his tenure as MD he wrote various articles on administration and in 1916 *The Bulletin de la Société de l'Industrie Minérale*, printed his *Administration, Industrielle et Générale - Prévoyance, Organisation, Commandement, Coordination, Contrôle*.

In 1949 the first English translation appeared and titled 'General and Industrial Management' by Constance Storrs.

Fayol was the first to identify the four functions of management: planning, organizing, directing, and controlling, as known today. His original definition of management comprised of five elements: **forecast & plan, organise, command, coordinate, and control.**

His 14 principles are:

**Division of work** - specialisation provides the individual to build up experience, continuous improvement in skills, and thereby be more productive.

**Authority** - the right to issue commands, along with which must go the balanced responsibility for its function

**Discipline** - which is two-sided, for employees only obey orders if management play their part by providing good leadership.

**Unity of Command** - each worker should have only one boss with no other conflicting lines of command.

**Unity of direction** - people engaged in the same kind of activities must have the same objectives in a single plan

**Subordination of individual interest to general interest** - management must see that the goals of the firms are always paramount.

**Remuneration** - payment is an important motivator although by analysing a number of possibilities, Fayol points out that there is no such thing as a perfect system

**Centralisation or decentralisation** - this is a matter of degree depending on the condition of the business and the quality of its personnel

**Scalar chain (line of Authority)** - a hierarchy is necessary for unity of direction but lateral communication is also fundamental as long as superiors know that such

communication is taking place.

**Order**- both material order and social order are necessary. The former minimises lost time and useless handling of materials. The latter is achieved through organisation and selection.

**Equity** - in running a business a 'combination of kindness and justice' is needed in treating employees if equity is to be achieved.

**Stability of tenure** - this is essential due to the time and expense involved in training good management.

**Initiative** - allowing all personnel to show their initiative in some way is a source of strength for the organisation even though it may well involve a sacrifice of 'personal vanity' on the part of many managers

**Esprit de corps** - management must foster the morale of its employees. He further suggests that, "real talent is needed to coordinate effort, encourage keenness, use each person's abilities, and reward each one's merit without arousing possible jealousies and disturbing harmonious relations." Harmony and pulling together among personnel.

Although the principles are 90 years old, I believe that they still apply today.