

Relevance of fayol's management principles to post- capitalist ideas of management...



“ Critically analyse Fayol’s principles of Management and their relevance to post-capitalist ideas of Management.”

Henri Fayol was a pioneer in developing the theories of management and published the leading book, ‘ 14 Principles of Management’. It was one of the first books of its kind to be published about management and to this day Fayol is known as the father of modern management. Fayol was instrumental in establishing original ways for managers to guide their employees towards being more efficient in achieving goals. He is widely considered to be one of the most important theorists of his time and some of his ideas are still applied to modern day management. In this essay I will analytically scrutinise some of Fayol’s 14 principles of management and their relevance to post-capitalist ideas of management.

The first principle hypothesised by Fayol was the one of division of labour. Fayol argued that efficiency can be maximised by distributing tasks to employees according to their specialisation or by achieving specialisation through repetition. This theory is applicable to businesses who have many or even few employees. The theory suggests that work should not be spread out by giving the same task to numerous people. This results in proper utilisation of labour and ensures that employees remain focused. Work in businesses are divided into departments with the head of departments allocating jobs based on the specialisation of the employee. For example, in contemporary companies the I. T department is vital. The jobs that handle the data and information of organisational stakeholders are pivotal and require skilled workers. Therefore, in this instance all jobs cannot be done by all staff at the same time as division of labour is required for specialisation.

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This observation can be supported by the proposal of (Uzuegbu & Nnadozie, 2015) that the ' amount of jobs executed for a day can be more meaningful when divided amongst staff in various departments than when every staff member is clustered for each of the job elements, one after another'.

Therefore, permanent duties are assigned to staff to ensure that staff are specialised in their roles to maximise efficiency showing that to this day Fayol's theory of division of labour is still valid.

While Henri Fayol's principles of management look at remuneration (financial and non-financial methods of achieving employee satisfaction) and equity (equality to staff), his approach has often been criticised for a lack of emphasis on the now very important human aspect of management. His approach does not utilise the now popular human resources department – a function within an organisation that focuses on employing, managing and guiding people who work in a business. The post-capitalist ideas of management emphasise that a good division of human and economic resources are critical to a productive workforce where employees are motivated. Evidence suggests that for employees, the HR department is first and foremost concerned with their interests rather than the employers.

Without a strong and stable HR department, employees may feel ignored leading to lower levels of satisfaction and an inevitable decrease in efficiency and output. HR is also involved in employee recruitment, an essential part of any business. The more skilled an employee is, the less training is required and the greater the level of output from workers. A human resources aspect can often act as an unbiased tribunal between employee and management when conflict occurs to prevent further escalation and can also help repair

relations. So, while remuneration and equity are both vital in modern day management, it isn't enough in terms of the human aspect to ensure that employees feel a sense of satisfaction and safety in their work.

Perhaps, the biggest criticism of Fayol's theory of management is that his principles of management were created mainly from the point of view of the top-level managers. Fayol believed that only managers at the highest level make decisions that are vital in making a business successful when according to a more post-capitalistic view, the significance of middle and lower level managers in an organisation should not be overlooked. According to a study by professor Ethan Mollick from the Wharton University of Pennsylvania found that the top-level managers (e. g. CEO, COO`s) explain less than 5% of the variation in firm performance among the Fortune 800 companies. Middle-level managers are responsible for executing managerial plans and providing directional roles to lower level management that comply with company policy. Fayol's principle of initiative says that managers should allow subordinates to be given a degree of freedom in creating their own plans to maintain zeal and effort. However, this certain degree of freedom may not be enough for example a supervisor and action may be required by managers higher in the hierarchy. Appropriate levels of authority should be delegated to managers to make decisions that can maximise output immediately. This ultimately compromises the authority of lower-level managers. At the end of the day it is lower level managers who oversee the work of employees which ultimately is the deciding factor in the level of efficiency and output created. Therefore, top-level managers aren't the only people involved in deciding the overall direction of a business so. This is

down to a joint effort by middle and lower level managers which is overseen by the top of the hierarchy.

Following on from top-level management, the post-capitalistic ideas of management have little in common with Fayol's perhaps outdated ideas. One such idea is the concept of unity of command. This states that employees should only have one direct supervisor that they report to and all employees are under the chain of command of the sitting manager. In the post-capitalistic era, it is becoming increasingly common to work permanently with people who work for you but aren't your employees. A lot of these situations result from the outsourcing of all work that doesn't have a career ladder into senior management. In a bid to maximise productivity, businesses are outsourcing labour tasks to other companies that have their own senior management. For example, in a University there is a standard of cleanliness to maintain. This maintenance of standards usually is undertaken by an outsourced cleaning company rather than employees of the University. Therefore, the cleaners aren't required to report to the University managers but instead they are accountable to the senior management of the cleaning company. This concept of joint management has nullified the unity of command theory. A major example of this is the now liquidated Carillion. A lot of the major service industries in the UK such as the NHS and TFL used the outsourcing of labour from Carillion. This had a major impact on the big service companies showing that outsourcing has made Fayol's principle of unity of command immaterial. So, the point here is that Fayol's theory of unity of command is not applicable to modern day management because the way businesses choose to obtain labour differs from more older business

models. Although this doesn't contradict Fayol's principle of unity of direction as it is still relevant to modern day management as teams with the same objective are still working under the supervision of one manager.

On the other hand, Fayol's principle of Esprit de Corps is utilised by management structures in businesses across the world and is still relevant as a principle of management. Fayol promoted the idea that a worker's private interest should subordinate the general interest of the company. This can be difficult to establish in smaller start-up firms as employees may use the business as a stepping stone to bigger and more established firms. Employees with a diverse group of skills are encouraged to work together rather than individually because it brings together people with a diverse set of skills who are able to cover each other's skill deficiencies to complete a task successfully. If used correctly, esprit de corps can lead to higher team morale, co-ordination and co-operation. Fayol believed that managers who are able to produce a sense of common goal among employees are more likely to have workers that are willing to share their knowledge and expertise with other staffs. Evidence of increased motivation was found in a real-world study conducted by Jeff Blatt of the Bill J. Priest Institute. He found that at ' Texas Nameplate Co., a small manufacturer of etched and screened products, discovered happiness, security, encouragement, honesty and empowerment are just some of the results of developing a common spirit of unity among employees. If members of an organisation are able to identify with and believe in the goal of the group, then it is far more likely that the worker will be highly motivated and as a result will perform beyond their expectations.

In conclusion, Fayol's 14 principles of management still have some relevance to the post-capitalistic ideas of management, but it seems as though his ideas were focused specifically on the types of enterprises that existed at the time of writing. But although there have been critics, internal limitations and disadvantages to the theory, it has stood the test of time and has solidified itself as the foundation of management. Business has evolved significantly since Fayol wrote his principles and whether or not his principles are truly relevant to contemporary management, their importance cannot be underestimated. As Fayol quite rightly said " without principles we are working in dark and chaos, without experience and judgment we are still working under great difficulties, even with the best principles. The principles are the lighthouse, which enable us to get our bearings, but it can only help those who know the way into port."

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Date: 11th November 2010