

Analysis of fayol's 14 principles essay sample

[Business](#), [Leadership](#)



1. Introduction

Management in organizations is a dynamic discipline. Many had been trying means and ways to improve or invent management methods for the betterment and ease of managers. Old ideas are revisited and new ideas are churned out to come out with more effective management concepts and practices.

Many of these current management concepts and practices, in fact, can be traced back to early management theories. One prominent management pioneer behind the general administrative approach was Henri Fayol. He was the key figure in the turn-of-the-century Classical School of management theory with his own development of a universal set of four management functions that consist of Planning, Organizing, Leading (Commanding and Coordinating) and Control, which is seen very much applicable in today's business world.

Fayol's 14 principles of management are also linked to his four functions to assist managers to manage effectively. His principles of management are as follows:

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction

6. Subordination of individual interest to general interest

7. Remuneration of personnel

8. Centralization

9. Scalar chain

10. Order

11. Equity

12. Stability of tenure of personnel

13. Initiative

14. Esprit de corps.

Although there is still a great deal of validity of Foyal's principles in current management practices, there are still some principles which might be too general and thus become inapplicable to certain cases, in other words, it is not tailored to suit every businessmen's management strategy. Four principles (Authority, Division of work, Unity of Direction, and Unity of Command) will be elaborated and discussed in further details to examine how relevant or irrelevant Fayol's management principles are in today's business world.

2. Four Principles to Illustrate the Relevancy Today

2. 1 Authority

“ Authority is the right to give orders and to exact obedience.”

As defined by Fayol, the “ principle of authority and responsibility is apparently connected to the importance of authority initiated by the managers. The organization is driven by the commands of managers, and runs based on the work that is carried out by workers in obedience to that commands.”

In the past, authority were emphasized and required to a great extent when it comes to getting work done. The “ top down” approach was widely used back in

the older days. This was the case as it was thought to be more effective when one has to report to and carry out instructions from just one person.

And in most cases, the one person would be someone who has authority.

Back then, that someone who has authority would normally be the person at the top of the management.

However, this is not the case in today's context. Authority is not as widely practiced as compared to the past. Instead, communication is encouraged as it promotes two-way information exchange, and it has also been proven to be more effective and efficient. In doing so, employees also feel empowered rather than pressured by authority.

An example to illustrate this point is the case of the AT&T Company. AT&T improves their internal communication, which helped to empower their employees and change the latter's values towards the firm and themselves as a whole. This was helped with the decision of downsizing, which at the

same time helped reduced its management cost, making it cheaper and easier to manage. Also, because of its smaller headcount, the management was able to be more responsive towards their important stakeholders - their employees. To make it even clearer, the President of AT&T global business communication system unit never shuts his office door, in other words, he "had the lock removed", and this cultivated a sense of transparency and openness for the employees in AT&T.

Empowerment is important in order to have "happy" employees in the company. As what Mescon, Bovee, thill (1999) has stated, "employee empowerment can be a powerful motivational tool because it gives employees more say in the actual working environment of the company..." All these lead to a deeper sense of satisfaction for the employees when their ideas and work contributions are being taken in during the process of achieving company's goals.

With the existence of cross-functional teams, which consist of group of employees from different department, were brought together on a semi-permanent basis, work can still be carried out with the lessening of authority. Often these teams are empowered by allowing the members to make decision on their own without the need to seek for the approval from the management.

This is also agreed upon by Spreitzer et al (1999) when he mentioned, "more self management team select their own members and have the members evaluate one another's performances. As a result, supervisory position becomes less important and may sometimes be eliminated".

Authority has taken another new meaning today. We no longer have to “obey the rules”, but more of understanding the common objective and achieving the common goal. However, this does not mean that authority is totally inapplicable. We cannot do without authority; a certain level of the latter still has to be present in an organization, in order for the company to function properly. All these perfected with the complements of feedbacks and participation from the staff, regardless of the rank or hierarchy.

2. 2 Division of work

“ Specializing encourages continuous improvement in skills and the development of improvements in methods.”

Division of work is the application of specialization. Fayol saw specialization as a natural human process. Productivity increases with each employee performing a specific task as compared to multiple tasks. This will lessen the hassle of taking care of other obligations at one time and allow more focused efforts by the worker. And overtime such repetition of the same task will lead to swiftness and precision.

When workload is broken down and shared among the workers; with each of them delegated to a specific job, this will reduce unnecessary efforts of repeating the same duty by different people. In any case reduces the hindrance to productivity and efficiency.

Nevertheless, this principle is frowned upon by some critics and academicians, like in the case of Ernest R. He argued that “ specialization tests only the skin-surface abilities of employees, fosters blue collar blues,

retards employee development, threatens the psychological well being of the worker and is an immoral inhibitor to the growth needs of the employee. It fosters a man made machine model whereby employees are perceived and treated as extensions of the machine rather than the machine as the extension of man.”

The current business environment is rapidly changing, it is noted that specialization in one's job is no longer as efficient and productive as it was in the past, whereby the environment was more stable. At the present moment, many organizations find themselves in a situation whereby robots or machines have successfully replaced a variety of specialized jobs that require only low-skilled labor.

This can be illustrated in the case of the recent trend as well. Many US firms are downsizing as a mean to stay competitive as it helps to cut cost. According to Carson et al. (1992) these organizations have to rely on the reduced number of workers to perform numerous tasks, as there are fewer of them available to perform specific tasks. Thus we can see that companies now has reduced their reliance on division of work, instead they emphasize on generalization in designing workers' jobs.

While the above statement might be true, this does not imply that this principle of division of work as being redundant and/or invalid. A world without specialization would be an outdated and backward world, i. e. no pilots, no engineers, no doctors, no specialists, no managers, etc. the fact is everyone is different in their abilities, thus we cannot expect everyone to be able to perform multiple tasks with their limited strength and capabilities. As

such, specialization still holds certain level of relevancy in today's management world, as specialization exists in all human beings in one way or another.

2. 3 Unity Of Direction

“ One head and one plan for a group having the same objective.”

This principle may seem to be not as relevant today as it was compared to the past. For example, in a marketing department that has the objective to sell its products globally, it would be wiser and better for them to have different strategies catered to different markets. This also means having to assign different “ people-in-charge” of the different strategies due to the better understanding of their “ home ground”. Such differences in the geographical profile of the different markets requires the company to have two or more “ heads” and “ plans” to complete the job.

This further brings in the current issue of globalization. With the technology advancement, it is inevitable that when a company grows to a certain level beyond its domestic market, it will expand its market share to foreign market thus the importance of globalization. With that in mind, we need more than one man to carry out the task of managing the huge market efficiently and effectively.

Yet, we know that we still need a head in any organization, regardless big or small. This is similar to the principle of authority, when we mentioned that “... cannot do without authority; a certain level of the latter still has to be present in an organization, in order for the company to function properly.”

Likewise for this principle, we still need to report to our superior in our individual departments at the end of the day. Also we have to adhere to one common objective and come up with different methods and ways to achieve the objective. The process can involve everyone in the team but we still need someone to hold responsible for the task that was assigned to each team. Thus reemphasizing that the validity of this principle still holds.

2. 4 Unity Of Command

“ Every employee should receive orders from only one superior”

In the past employee had to receive orders from one superior only. An individual reports to a single superior so as to reduce conflict in commands and thus gain a greater sense of personal accountability. Unity of command also helps to maintain the concept of a continuous line of authority.

However, organizational design has changed with time. Robins et al (2003, p 278) asserted, “ This concept is less relevant today because of information technology and employee empowerment.” Strict adherence to the unity of command will lead to a degree of rigidity that hinders an organization growth and performance. As discussed in the section under the principle of authority earlier on, employees are empowered, and more self-managed and cross-functional teams are implemented in today's decision making. Organizations with multiple bosses are on the rise in today's organization strategy.

Having multiple bosses also means more conflict in the organization. Simple task might get confused or become more complicated when one receive

orders from more than one superior . As what Fayol has anticipated, dual command, will become a perpetual source of conflict between managers.

3. Conclusion

Moving towards a new century, there is growing trend towards globalization, deregulation and technological advances. These illustrate that today's organization must respond rapidly to change if they are to thrive in intensively competitive environment. To achieve this responsiveness, new management philosophies and methods emerge.

Some old management theories, and in this case Fayol's principles, may sometimes be irrelevant to some extent, especially in this ever-changing business world we are dealing with today. This might be due to the social rejuvenation, in a way that things aim to change for the better; what was good will be kept and what was not will be changed. His insights remain practical and are regarded as a powerful tool by many management gurus.

As previously mentioned, Fayol's thoughts in management comes in handy most

of the time it comes to managing people using his 14 principles. His principles still carry a degree of relevancies.

As discussed, authority might seem too autocratic in today's management but we cannot deny the significance that it still has in managing people even now. Authority as said still needs to be present, the difference between now and the past will be to have less emphasize on just obeying the authority and more on the empowerment employees so as to allow more effective

inputs and getting their work done without the feel of being suppressed by the people at the “ top”; making authority appear as if it is “ invisible”.

The principle of division of work, as well, has its relevance in today's management world, as was brought up previously, although we see that generalization is the common trend now with the case of downsizing, specialization still exists in all human beings because of an irrefutable fact that each individual is different in their own ways.

Another recent trend, globalization brought us to the seemingly invalid principle of unity of direction. It was critiqued that no one group should just follow “ a head and a plan having the same objective”. However I beg to differ. We need one common objective for all to follow in order to have consistency through the whole organization. To enable such objectives being met, we need a head and a plan. This does not mean we cannot have sub-heads or sub-plans. But ultimately, we need one main head and one main plan.

Unity of command is also unavoidable as it helps to reduce conflict among managers. Thus as explained above, we need a common goal to follow and in this principle, one boss to report to, to reduce any confusion.

Fayol's principles might be changed or improvised slightly. These changes are made suits the present situation and is for the organization's interest; but so long as it is followed no matter how trivial, it proves that Fayol's principles still holds a certain degree of validity in making the best out of the management situations, whether or not it is a management crisis. Thus with

all the discussions made, we can conclude that Fayol's principles are still valid in today's world of management.