

Fayol's 4 functions of management



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Henri Fayol (1841-1925), praised as father of modern administrative management, focused on general and attitudes theories of managers' practice. Fayol was the first to discover the specific managerial functions of planning, organizing, commanding, coordinating and controlling (Davidson et al, 2009 p. 42). However, it has comprised of only four functions nowadays (planning, coordinating, leading and controlling). These functions have become the solid foundation and core management process, playing important roles in diverse organisations. Accordingly, this essay will further elaborates the Fayol's functions and convince of its great influence within the contemporary management practices.

However, errors and biases decision making such as overconfidence and sink costs might cause corporate crisis and scandal (Robbins et al, 2009 p. 232). Port Klang Free Zone project (PKFZ) in Malaysia, has bring on a failure planning. Advisory firm Pricewaterhousecoopers (2009 p. 11) has revealed PKFZ project actual cost had rose up from RM1, 957 billion, predict to reach RM12, 453 billion cumulative deficits in over time. Report further indicated that failure planning included weak governance and project management, lands purchased exceed market value, low project actual occupancy and so on. It is apparent that the management team are holding unrealistically positive view, tend to obtain reward and to avoid immediate costs. PKFZ project also failure to adjust adequately for subsequent information. Thereby, decision-makers ought to not be heuristics thus simplify.

Fayol's coordinating function still emphasises in current management practice. Coordinating linking and allocating the organisational activities and resources to ensure efforts are effectively (Davidson et al, 2009 p. 280).

Coordinating approaches consist of job specialisation, departmentalisation, allocating authority and also organising activities. These purposes are to maximising performance practices, and establish sustainable competitive advantages.

For this example, Malaysia former Prime Minister Tun Dr. Mahathir Mohamad has a great effort on coordinated civil servants. He initiated civil service reform in his governance time, suggested paradigm shift needed from the civil servants in their attitude and approach towards their duties. Hereby in Mahathir theory, stated that “ civil service should more customers focused, responsive, results and performance oriented, accountable and innovative, with the capacity and capability of providing quality services” (Ho and Chin, 2001 p. 22). As a result, reform has increased the efficiency and effectiveness in the civil service administration and management.

Besides, Malaysia Airlines (MAS) was another example to demonstrate the important of coordinating. Reformation MAS adopt to join global airline alliance to cut short their deficit flight lines and feed to alliance airline (Sia, 2007). Simultaneously, collaborate airlines would also allocate the regional flights to MAS. Therefore, both have equal advantages, despite MAS flights reduced but made more money.

Leading is another element of Fayol's function. Organisational manager should have leadership skills to lead employee. Robbins (2009 p. 577) stated that a good leader should have clear goals, relevant skills, mutual trust and support, negotiating skills and unified commitment. Furthermore, effective communication increase productivity and avoid distrust between employees.

As Mahathir (2004 p. 118) outlined that explanations is one of the important jobs of a leader, because “ leader (manager) have to sell the idea to people (subordinates)”. Thereby, good communication should a leader have.

However, Milne and Mauzy (1999 p. 3) argued that the most important leadership traits are not discernible by looking at the leader alone but by looking at interactive leader-follower relations. It makes clear that leader should also be sensitive to what followers think. For instance, Asia leading low-cost carrier, Air Asia, has an extraordinary leading style. The management prefers casual and team-work approach, with less authority symbolises and allows employees to share opinion (AFP, 2004). The crew members clean the plane without regard for rank, and the top manager frequent get down operations with subordinates. CEO Tony Fernandes has further explained this is a way to motivate his staff (Kang, 2003).

The forth Fayol's functions are controlling. Controlling means “ restricting organizational activities to same targeted element of performance remain within acceptable limits” (Davidson et al, 2009 p. 318). Controlling is an indicator and it helps to ensure the process of implementing goal was in right direction, with comparing and evaluating its performance. In reality, due to goal perform is an ongoing process, contingency are often surround and occur during process, therefore, controlling provide the critical link back to planning. Well controlling will make productivity efficiency and achieve effectiveness goal.

Air Asia as a low-cost airline has to constant looking of their cost and expenses. For example, Air Asia decides buying single type aircraft, which is

Airbus A320. CEO Tony Fernandes (2007) make clear that Airbus A320 is cost economics than others aircraft, superior reliability and fuel efficient. Due to this, keeping single aircraft type reduces maintenance fees and staff training expenses. It is apparent that Air Asia has made effective control through cost-efficient.

On the other hand, organisation without control managing ignoring of the target and what future happens to take, lastly cause failure management. Port Klang Free Zone project (PKFZ) as stated above, was also result in weak finance controlling. The report (2009 p. 40) has illustrated PKFZ purchased land with exceeds market value, and twice to accept higher interest rates loan than originally contracted without reason, despite management team discovered financial statement facing deficit.

In sum, overwhelming evidences make clear that Fayol's functions involve great influence to contemporary organisational management practice. Planning, coordinating, leading and controlling are incurred reciprocal condition, interdependent and interaction. Managers have to engage in different activities and different management process well simultaneously. Without Fayol's functions nowadays, Malaysia Airlines might be termination, dissolution or take over by others. Also, entirely low-cost airlines organisations even many low-cost industries cannot survive. PKFZ project is not without planning, but a weakness planning and controlling. If plans and controls in satisfactory, it might be a flourish regional trade, distribution and procurement centres. Hence, it could therefore be concluded with practice well of Fayol's functions, although goal cannot assure be success but can minimise the challenges and drawbacks among the approach.