

# The fourteen principles of management by henri fayol essay sample

[Business](#), [Management](#)



In the early 1900s, Henri Fayol developed the fourteen principles of management in which he believed were the fundamental aspects for managing a successful organisation. In addition to this, Fayol suggested that managers should organise, lead, plan and control.

Fayol's fourteen principles of management are shown below:

- 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) Centralisation
- 9) Scalar Chain
- 10) Order
- 11) Equity
- 12) Stability of Tenure of Personnel
- 13) Initiative
- 14) Esprit de Corps

The first principle of management is division of work. The idea behind this concept is to separate work into smaller tasks and to assign tasks to workers that have the required skill and knowledge to carry it out effectively with minimal wastage. Fayol said that “ the object of such specialization is to increase output by making employees more efficient” (Fayol, 2013). Failure

to apply this principle would lead to a form of role conflict known as role overload (Handy, 1993) and eventually cause chaos and confusion. The division of work principle is seen today in the making of Apple products. There are a number of processes to make an iPhone for example design, hardware and production. Behind every iPhone there is a small text saying “Designed by Apple in California. Assembled in China”. This shows that this principle of management is still very much relevant to post-capitalist ideas of management. However, too much specialisation can lead to decreased productivity in production organisations because if workers are doing specific jobs without change then it can become very boring and repetitive and consequently lead to decreased motivation. Therefore, although the division of work principle provides a useful basic framework on how to manage an organisation, the principle is out dated as you cannot expect a worker to carry out exactly the same role every day without losing motivation and hence decreased efficiency.

Another principle of Fayol is unity of command. Fayol believed that each employee should only report and receive orders from one superior in order to avoid confusion within workers. However, this principle does not fit well in matrix based organisations; this kind of management enhances communication between different departments and so allows key information to be transmitted easier. Moreover, Peter Drucker, a management consultant stated in an interview that “in post-capitalism, power comes from transmitting information to make it productive” (Harris, 1993). The unity of command principle limits the amount of information that

can be transmitted and, therefore, according to Drucker this in turn limits productivity.

While many successful modern-day companies like Google and Facebook do not apply the unity of command principle in their organisation, they do encourage initiative from their employees. Fayol viewed initiative as “one of the greatest source of strength for business” and that managers should “allow individual employee to exercise this behaviour” (Fayol, 2013). This principle allows employees to feel like that have a say in the company and so become more motivated to work towards organisational goals, and therefore, I believe that this management principle of initiative is something that every manager should encourage in their company.

Fayol believed that “discipline is absolutely essential for the smooth running of business and that without discipline no enterprise could prosper” (Fayol, 2013). This principle of discipline is still very much applied in modern organisations as it can improve performance from employees if applied correctly as it affects morale and it will also make workers feel safe in their work environment. This will in turn increase productivity and uphold workplace standards.

Fayol came to a conclusion that in an organisation there must be a balance between centralisation and decentralisation. The proportion of each will vary from organisation to organisation depending on the status of the company. In a centralised structure the power to make decisions only lies within the people at the top of the hierarchy, for example the CEO. An example of an

organisation that uses a centralised structure is McDonalds, this structure allows senior management to easily coordinate, control and implement common practices and policies in all of their branches in order to maintain their high standards and ensure customer satisfaction. However, a centralised structure is not suited for technological businesses that need constant development in order to compete with their competitors as “ humans find it hard to identify in groups in which .... they have no power to influence events” (Handy, 1993). In today’s society individuals are becoming “ less prepared to accept impersonal authority” (Handy, 1993) which is why decentralised structures are becoming more popular within organisations as it provides a relatively flat hierarchy in which employees are able to take initiative and influence decisions.

The scalar chain principle goes hand in hand with the unity of command principle as it represents the hierarchy in an organisation. The scalar chain makes it clear for employees to know who their superiors are and who to report to when they have any queries. However, if the organisation is very large then the line of authority will also be very big and, therefore, the probability that communication will get lost between those at the bottom of the hierarchy and those at the top will increase.

Subordination of individual interest to general interest is the principle that employees should set aside their personal interests to those of the organisation. Many managers today implement this principle as it improves employee engagement which increases the probability of company growth. A

survey from Deloitte found that “ 73 percent of employees who say they work at a purpose driven company are engaged” (Vaccaro, 2017).

Fayol regarded equity as a significant principle of management because it ensures the fair treatment of all employees. An equitable workplace will create a positive environment and make employees believe that they can strive and have a bright future and so are more likely to want to stay in the company and pursue company goals. In the modern era, there's a high expectation for there to be an equitable workplace due to changes in employment law and so this principle used by many managers today.

Recently, Peter Drucker published a book called “ Post-Capitalist Society”, and in this book Drucker described “ post capitalist” as a new order that was “ not defined by labour classes and capital ownership but by knowledge workers” (Drucker, 1993). Knowledge workers include accountants, analysts and managers and their roles in running a successful business in today's society is vital as they have specialised knowledge to which are key to improving the business. The division of labour principle, as discussed earlier, is relevant to this idea of ‘ knowledge workers’ as workers are placed in roles where they are specialised in.

To conclude, I believe that many of Fayol's principles like initiative and equity reflect the way organisations are managed today and could be used as a basic framework and foundation for managers to build on, however, they should not be relied on as management today is very different to what it was a hundred years ago. Many of Fayol's principles like unity of command

are out dated and therefore are not relevant to post-capitalist ideas of management. Moreover, between the time Fayol wrote his fourteen principles of management in 1916 and today, there have been significant advances in technology which have meant that many specialised jobs in the manufacturing industry are now being carried out by machines and/or robots.