

**MR.GANESAN
PROFESSOR,
ICON**

**Critique of
General Principle of Management**

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Background

Fourteen Principles of Management were developed by Henri Fayol (1841-1925) and have been considered as one of the classical organization theory that is universally applicable to every type of organization.

Classical organization theory was the traditional theory and remains to be the foundation upon which other schools of organization theory have built. Therefore many subsequent analyses presume an understanding of it.

Influenced by the industrial revolution in the 1700s and related to the professions of mechanical and industrial engineering, the principles were developed under fundamental assumptions as follows:

1. Organization and individuals behave in conformity with **rational** economic principles.
2. One best way to organize production is through **systematic and scientific** investigations.
3. Organization is established to fulfill **production-related and economic goals**.

We must also keep in mind that the beliefs of early management theorists, including Henri Fayol, about how organizations worked or should worked were a direct reflection of social values of that period. The evolution of this theory was in the era which workers were viewed as parts of machine, not as individuals. Besides, the equipment was expensive and hardly affordable. As a consequence, the use of workers with their own tools to replace power-driven machines was prevailing.

Henri Fayol, a French executive engineer and a Managing Director of a large French local mining firm, developed the first comprehensive theory of management, *Administration Industrielle et Generale* (published in France in 1916), was almost ignored in the United States until English translation, *General and industrial*

Management, appeared in 1949. Since then, his contributions have been widely recognized as a foundation and significant piece of work.

Main Theme

Fayol proposed that management was a common activity to all human beings who involve in organization. His principles consist of the elements as follows:

1. ***Division of work.*** Output can be increased by specialization, making employees more efficient.
2. ***Authority.*** The right or power to give orders to subordinates is authority. Wherever authority exists, responsibility arises.
3. ***Discipline.*** Employees must obey the organizational rules. Good discipline must result from an agreement between firm and employees with fairness and clear understanding of both sides. Penalties can be applied to violations of rule.
4. ***Unity of Command.*** Each subordinate should receive orders from one superior.
5. ***Unity of Direction.*** Organizational activities that have the same objective should be guided by one manager, using one plan.
6. ***Subordination of individual Interests to the General Interest.*** The interests of one employee (or group of employees) should not precede over the interests of the organization as a whole.
7. ***Remuneration.*** Employees must be paid a fair wage. Rewards should be used as a tool of encouragement.
8. ***Centralization.*** The degree to which subordinates are involved in decision-making. Whether the decision is centralized or decentralized is a question of proportion.
9. ***Scalar Chain.*** The line of authority from top to the lowest ranks of management.

Communication should go along this chain. To avoid delays, cross communications can be allowed if agreed by all involved parties.
10. ***Order.*** Materials and people should be in right place at right time.
11. ***Equity.*** Managers should be kind and fair to their subordinates
12. ***Stability of Tenure of Personnel.*** High employee turnover causes inefficiency. Managers should ensure replacements at hand when vacancies arise.
13. ***Initiative.*** The power of thinking out, proposing and executing. Management

should encourage employees to originate and carry out plans. This urging tends to boost levels of effort.

14. *Esprit de Corps*. Fostering team spirit is the way to construct harmony and unity among employees.

Table: Compare Henri Fayol to Frederick Taylor

Henri Fayol	Frederick W. Taylor
● 1841-1925	● 1856-1915
● General administrative theorist	● Scientific management theorist
● 1916	● 1911
● General Principle of Management	● The Principle of Scientific Management
● Underlined all elements necessary to organize and manage corporation as a whole.	● Emphasized on technology and procedures employed by individual workers → improve efficiency.
● Top down	● Bottom up

Conclusion

In contrast to *The Principles of Scientific Management*, introduced in 1911 by Frederick Winslow Taylor, one of the prominent classical theorists in the concurrent period, which emphasized on the technology employed by individual workers in order to improve production efficiency; Fayol underlined all of the elements necessary to organize and manage a major corporation as a whole.

His main contribution is in the point that he was the first general administrative theorist who developed the complete theory of management by suggesting what managers should do and what constitutes good management practices. More than eight decades have passed since these principles were proposed. As we are moving into the age of rapid industrial and technological development, you might think these principles are only common sense at present. It is important to understand that it really needs intuition to propose such a significant idea in the environment where there were no clear boundaries of worker and management responsibilities, no existence of effective work standard, and no clear concept about how organizations work and how they should be structured or managed.

Nevertheless, there are some limitations and arguments on certain elements of his proposed principles. For example, *Division of work / specialization*, which means dividing jobs into specialized and repetitive tasks in order to make them as simple as possible. The argument is that job can become too specialized. When this happens,

employees express their frustrations and boredom by taking the days off, socializing around instead of concentrating in their own jobs, and ignoring quality of works. At last, efficiency declines.

Another controversy is on *Unity of Command* principle. While Fayol and many Classical theorists believed that a subordinate should have only one superior to whom he or she is directly responsible, contemporary theorists view this principle is logical only when organizations are comparatively simple. Yet in some circumstances, Unity of Command causes inflexibility as we can see from matrix structure, which creates a dual chain of command and totally breaks Fayol's rule.

My last example of controversy is related to *Authority*. Fayol assumed authority was a power derived from managerial position. This power was the sole source of influence over subordinates. Therefore, managers were all powerful in every aspect.

This might be true fifty years ago while staff were less important. Nowadays, preceding conditions no longer exist. Authority from legitimate right is not equal to power, which can be referred to an individual's capacity to influence decisions. As a result, an exclusive focus on authority produces a narrow, unrealistic view of influence in organization.

Given the fact that all changes that have taken place in environment for more than eighty years, some elements of Fayol's principles definitely become limited. Though, for most part, they still provide valuable insights into managing effective and efficient organizations.

How can this article contribute to my further study on "Manager and Managing"?

As mentioned previously, certain elements may not fit into present-day. By reviewing all elements, examining the impacts of these principles on management in current information technology era, and investigating in depth why certain elements are inapplicable in this rapid changing environment; these fourteen principles of management can contribute as a tool for my further research.