

# 14 Principles of Management by Henri Fayol

The general management principles as summarized by Fayol.

## WHAT ARE THE 14 PRINCIPLES OF MANAGEMENT?

The 14 Management Principles from Henri Fayol (1841-1925) are:



1. **Division of Work.** Specialization allows the individual to build up experience, and to continuously improve his skills. Thereby he can be more productive.
2. **Authority.** The right to issue commands, along with which must go the balanced responsibility for its function.
3. **Discipline.** Employees must obey, but this is two-sided: employees will only obey orders if management play their part by providing good leadership.
4. **Unity of Command.** Each worker should have only one boss with no other conflicting lines of command.
5. **Unity of Direction.** People engaged in the same kind of activities must have the same objectives in a single plan. This is essential to ensure unity and coordination in the enterprise. Unity of command does not exist without unity of direction but does not necessarily flows from it.
6. **Subordination of individual interest** (to the general interest). Management must see that the goals of the firms are always paramount.
7. **Remuneration.** Payment is an important motivator although by analyzing a number of possibilities, Fayol points out that there is no such thing as a perfect system.
8. **Centralization** (or Decentralization). This is a matter of degree depending on the condition of the business and the quality of its personnel.
9. **Scalar chain** (Line of Authority). A hierarchy is necessary for unity of direction. But lateral communication is also fundamental, as long as superiors know that such communication is taking place. Scalar chain refers to the number of levels in the hierarchy from the ultimate authority to the lowest level in the organization. It should not be over-stretched and consist of too-many levels.
10. **Order.** Both material order and social order are necessary. The former minimizes lost time and useless handling of materials. The latter is achieved through organization and selection.
11. **Equity.** In running a business a 'combination of kindness and justice' is needed. Treating employees well is important to achieve equity.
12. **Stability of Tenure of Personnel.** Employees work better if job security and career progress are assured to them. An insecure tenure and a high rate of employee

- turnover will affect the organization adversely.
13. **Initiative.** Allowing all personnel to show their initiative in some way is a source of strength for the organization. Even though it may well involve a sacrifice of 'personal vanity' on the part of many managers.
  14. **Esprit de Corps.** Management must foster the morale of its employees. He further suggests that: "real talent is needed to coordinate effort, encourage keenness, use each person's abilities, and reward each one's merit without arousing possible jealousies and disturbing harmonious relations."

**SPECIAL NOTE:**

Henri Fayol (1841-1925) was a French management theorist whose theories in management and organization of labor were widely influential in the beginning of 20th century. He was a mining engineer who worked for a French mining company Commentry-Fourchamboult-Decazeville, first as an engineer. Then he moved into general management and became Managing Director from 1888 to 1918. During his tenure as Managing Director he wrote various articles on 'administration' and in 1916 the Bulletin de la Société de l' Industrie Minérale, printed his "Administration, Industrielle et Générale – Prévoyance, Organisation, Commandement, Coordination, Contrôle". In 1949 the first English translation appeared: 'General and Industrial Management' by Constance Storrs.