

A STUDY ON ROLE OF 14 PRINCIPLES OF MANAGEMENT BY HENRY FAYOL IN WORKING ORGANIZATION

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ABSTRACT

Management principles may not be as firm as those of science because they are founded on experience and developments in the business world. They include human behavior and are applied appropriately when necessary. As a result, these ideas evolve with time. The development of ICT (information and communications technology) has allowed managers to expand their corporate entities around the globe. Any firm that wants to operate effectively and accomplish its objectives needs excellent management. Planning, organizing, leading, and controlling, often known as the POLC framework in management, are the four fundamental tasks of management. Without them, an organization would have very little structure and concentration. Henri Fayol's 1916 book "Administration Industrielle et Générale" contains a famous theory on the fundamentals of management.

Key Words : Principles, Management

INTRODUCTION

Planning, organizing, staffing, directing, and regulating all company activities in accordance with the organizational goals, objectives, and vision are all examples of management. These principles establish the rules and define the management's strategy for running a company profitably and successfully. An underlying fact is referred to as a principle. In a given circumstance, it demonstrates a cause and effect relationship between two or more factors. They act as a guidance for thinking and doing. Therefore, management principles are logically sound assertions of fundamental truth that serve as a framework for managerial judgment and action.

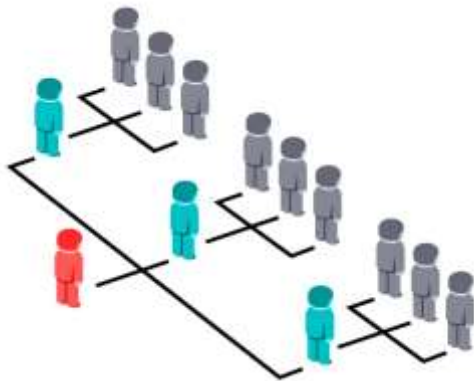
WHO IS HENRY FAYOL ?

Henry Fayol, a French industrialist, is credited as being the creator of the general idea of management. As an engineer, he began working for a French mining business in 1860, and by 1888, he had advanced to the post of managing director. His business had reached the point of bank insolvency at that time. 'Fayol' made significant contributions to his organization thanks to his extensive administrative knowledge. The business was in excellent shape when he resigned in 1918. The requirement for management principles was acknowledged by Henri Fayol. He listed 14 Management Principles. These ideas include:

1.Division of Work:

It alludes to assigning the work to various people. Fayol advocated for dividing and allocating all types of work in accordance with each person's aptitude, training, and experience. The goal of work division, according to Fayol, is to create more and better work with the same amount of effort. The most effective method to employ human labor is through specialization.

For example, a bank performs a number of functions, such as the collecting and payment of cash and the issuance of checkbooks. Each of those tasks is broken up and assigned to a different bank employee. By using this technique of working, they become more proficient in their industry and more efficient.



2. Authority and Responsibility:

This idea states that there ought to be a suitable balance between authority and accountability. Authority is the responsibility that a subordinate is expected to carry out. Responsibility and power go together. accountability without authority results in irresponsible behavior, while authority without accountability renders a person unproductive. "Authority is the right to issue commands and command compliance, and responsibility is the corollary of authority," claims Fayol. Both formal power and personal authority, which is the authority of the individual manager, fall under the category of authority.

For example, if a foreman is charged with producing 50 units per day, he must be granted the necessary authority to meet this goal. He cannot be held accountable if he is not given permission to remove raw materials from the warehouses.



1. Discipline:

Obeying the policies and procedures of the organization is referred to as discipline. At all levels of management, discipline demands effective supervision. A built-in system of sanctions, clear and fair regulations, and excellent supervision at all levels, according to Fayol, will all aid in preserving discipline. All levels of management must adhere to it.

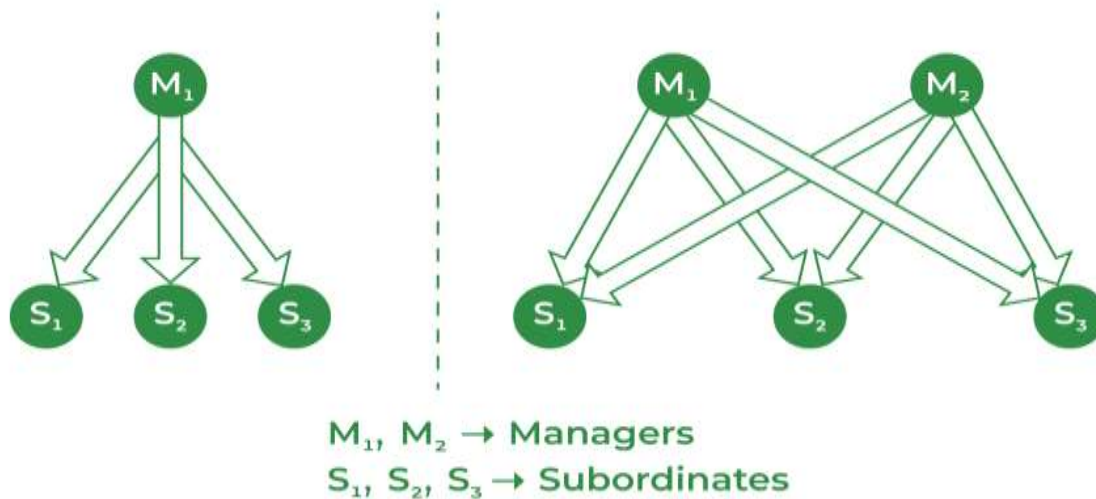
For example, in order for employees to fulfill their promises of incentives, raises, and promotions, they must be disciplined to perform successfully and efficiently. Through improved communication between management and staff, its smoothness systematizes how an organization operates.



4. Unity of Command:

This idea states that each subordinate should be given orders and should only answer to the superior. No one can simultaneously serve more than one master. The principle of unity of command is broken if an employee is given commands from two superiors at once, and he will struggle to choose which one to obey first. Therefore, a single superior should issue orders to all employees in order to avoid confusion.

For example, the marketing manager might enable a salesperson to provide a 12% discount in order to close a deal with a customer. However, the finance division warns him not to discount more than 6%. There is no unified command in this situation, which will cause confusion and delay.



5. Unity of Direction:

It suggests that there should be a single person in charge of gathering evidence of all operations with the same goals. This concept states that all activities must be effectively coordinated and run under the supervision of a single person at all times. This rule guarantees action coherence and prevents needless labor duplication.

For example, if an organization has four divisions for various tasks, each department must be led by a single superior and its employees must exert all of their efforts to carry out the organization's plan. Each division needs its own leaders, plans, and execution tools. There shouldn't be a waste of resources or needless duplication of effort.



6. Subordination of Individual Interest to General Interest:

This principle states that an organization's overall interests must take precedence over an individual's interests. The organization's interests must take precedence over the interests of the workforce. Reconciling them is the manager's responsibility. In the event that reconciliation is not feasible, general interest must take precedence over private interest. A manager must give up his personal interests. Managers can succeed when their organization emerges from a financial crisis.

For example, one business pays its workers less in order to get the most output possible from them. While working the least amount of hours possible, some employees desire to earn the most money possible. In either case, the company's interests will take precedence over those of any one person. As opposed to the interests of a single person, the interests of the workers and stakeholders are more crucial.



7. Remuneration of Employees:

This notion states that compensation should be reasonable and acceptable to the organization as well as the personnel. The organization's relationships are harmonious as a result of this philosophy. Fair compensation should be calculated in accordance with laws governing pay, the organization's financial standing, the nature of the labor, and the cost of living. Employees should receive fair compensation for their work, which should enable them to maintain a middle-class lifestyle.

For example, if a company makes more money, it should give some of that money to the employees as bonuses.

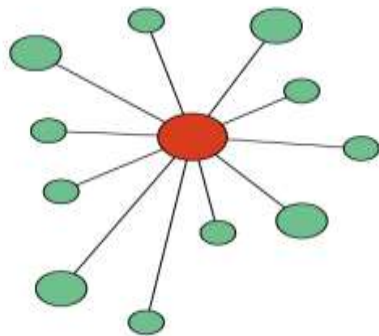


8. Centralization and Decentralization:

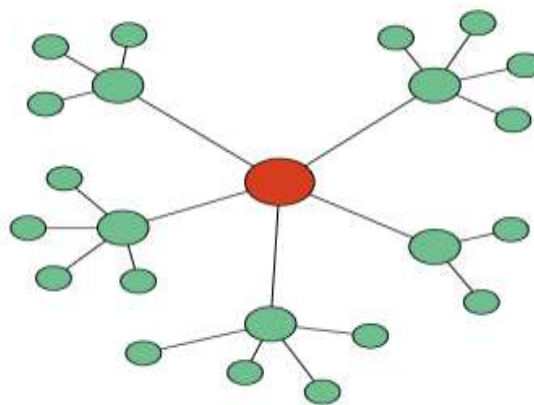
Decentralization refers to the distribution of power among all levels of management, while centralization refers to the concentration of power at the top. This idea states that centralization and decentralization should be properly balanced. The level of centralization and decentralization relies on a number of variables, including the size of the organization, the size of the workforce, and the experience and skill of subordinates. Centralization gone too far results in top management being uncontrollable. As a result, an ideal equilibrium should be kept in line with the requirements of the company.

For example, senior management must have the power to make important choices, while middle and lower level management must have the power to oversee operational activities.

Centralization



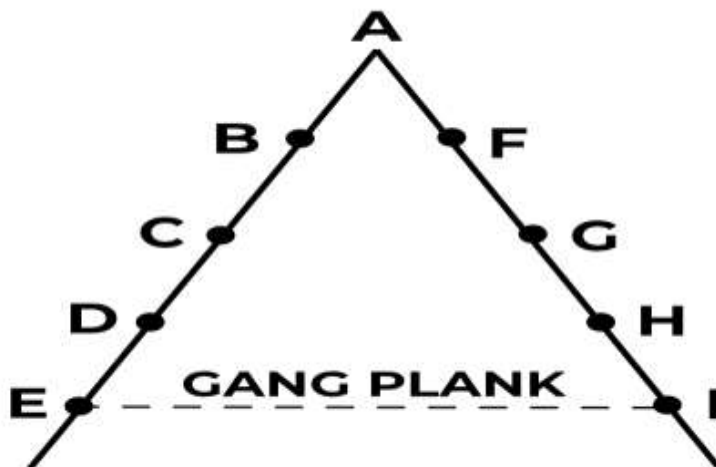
Decentralization



9. Scalar Chain:

This principle states that there is a scalar chain of authority and communication that extends directly from the highest ranking individual to the lowest. In an emergency, Henri Fayol allowed the use of the gang plank, a chain shortcut. Direct contact between two coworkers at the same level is made possible by the gang plank.

For example, E has to get in touch with I for a crucial task. The message should flow sequentially from E to D, then to C, B, and A, before descending from A to F, followed by G, H, and finally I. This will take a lot of time, thus Fayol proposed the Gang Plank concept to prevent this delay in work. According to this idea, "E" and "I" can speak directly to each other about an important subject due to the gang plank; yet, each employee at the same level must still report to its superior.



10. Order:

This idea states that there should be a space for everything and everyone. Two sorts of order were highlighted by Henri Fayol: the material order and the social order. There must be a strategy for everything in material order. It guarantees a fixed location for numerous material tools. While in social order, each employee must have an assigned place, which assures that they have a proper and permanent area to work.

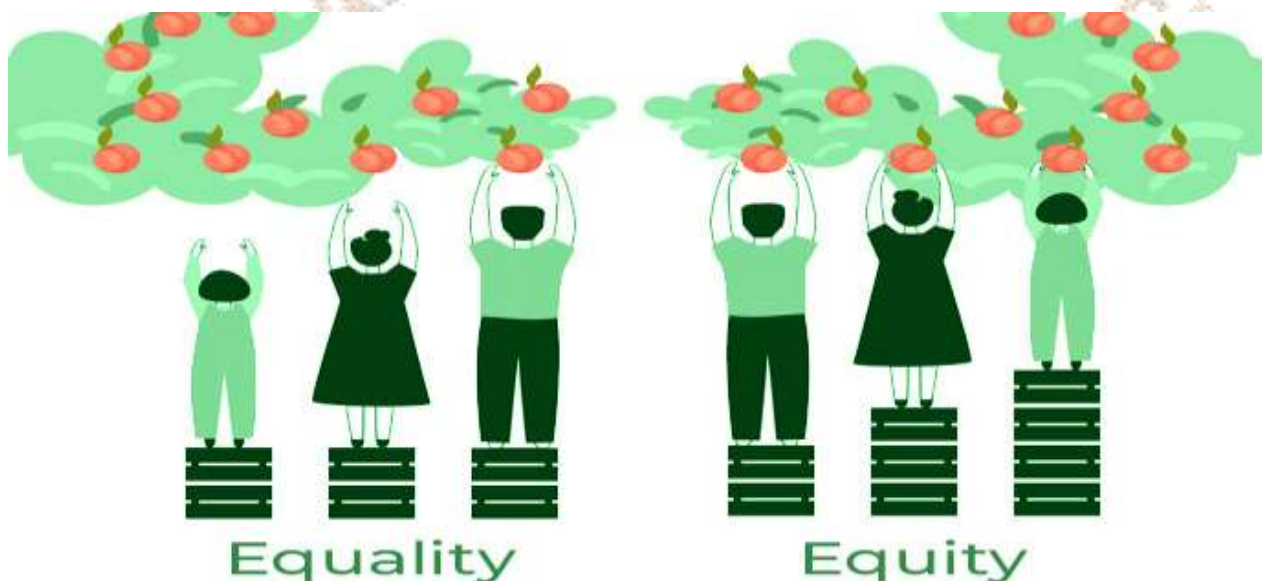
For example, there should be specific place for foremen in a factory so that the work can be done easily.

Right **Thing**, at Right **Place**, at Right **Time**

11. Equity:

This principle states that there should be no discrimination against employees on the basis of their nationality, caste, language, or religion. Equitable relationships between bosses and subordinates are guaranteed. It results in the firm operating well and without hiccups. By fostering a relationship between managers and employees, it raises employee satisfaction and motivation.

For example, employees performing comparable tasks inside the same firm should receive the same pay regardless of their sex, caste, religion, or language.



12. Stability of Personnel:

This concept states that reasonable efforts should be made to ensure employment stability and continuity. They should be kept in their positions for a reasonable amount of time, according to Fayol, to demonstrate how job stability fosters a sense of belonging and motivates them to do higher-quality work. Employee productivity will grow as a result, and the organization's reputation will also improve. Unnecessary staff churn fosters a skeptical environment. Employee turnover disturbs the workplace climate.

For example, new hires must be given enough time to adjust to the workplace's new culture and surroundings.



13. Initiative:

This principle states that employees should be encouraged to take the initiative in creating and carrying out the plan, and they should be given the opportunity to do so. Employees at all levels should be urged to take initiative at work, according to Henri Fayol. It encourages workers to perform better and show more enthusiasm for the company. The initiative is a source of strength for the organization and a potent human behavior motivator. Employees are more likely to grow intellectually and feel a sense of community as a result. Employee commitment to the organization grows as a result. Lack of initiative could foster a climate of discord.

For example, firms need to create a structure for employee suggestions to give employees a sense of inclusion.



14. Esprit De Corps:

This concept states that management must make reasonable efforts to foster a sense of community and teamwork among workers. Integrating individual and collective efforts is necessary to get the greatest possible result. Production is a team effort, requiring the complete cooperation of all participants. To achieve this, a manager should use the pronoun "We" instead of "I" in all of his communications with staff members. Mutual trust will grow as a result of this. By assisting in the achievement of corporate objectives, it will foster friendly ties between management and employees.

For example, authority and responsibility once meant empowering managers, but due to the rise of flat organizational structures, it now refers to empowering individuals.



History of the 14 Principles of Management

The father of contemporary management theory is regarded as Henry Fayol. During the height of the French Industrial Revolution, he began as an engineer at the Compagnie de Commentry-Fourchambault-Decazeville mining firm and eventually worked his way up to manager. He oversaw the ailing business's success. He documented his labor management experiences in the book "Administration Industrielle et Générale," published in 1916. The 14 Principles of Management and administrative theory were founded on this. These concepts constituted one of the earliest instances of treating management as a legitimate profession by emphasizing administrative over technical skills.

What Is the Importance of the 14 Principles of Management?

When an organization's staff strength is utilized to its fullest potential, it becomes truly successful. Henri Foyal's 14 management principles continue to have a significant impact on how to make wise decisions and get the greatest outcomes for both the business and the employees. It is widely acknowledged that Foyal's management concepts helped staff become extremely productive and efficient, which helped the organization run smoothly and produce the best outcomes. Following Henri Fayol's 14 management principles has helped firms accomplish some of the following noteworthy feats.

1. Composition

To genuinely succeed, any business needs a structure and a flow. These management concepts give management structure and motivate those in positions of authority to take charge and increase staff productivity.

2. Interaction

Every well-run business understands the importance of communication. The secret to maximizing productivity while being clear on the end result is effective communication. In order to effectively manage large teams and organizations and get the greatest results, clear and effective communication is a vital tool.

3. Effectiveness

Fayol's management principles provide a clear understanding of how crucial it is to have effective management in place in order to perform smartly and efficiently.

4. Loyalty

Without its people, a company cannot exist. Gaining the trust and loyalty of the workforce is crucial because they are an integral part of the smooth and effective operation of the business. A big step toward earning the trust of and developing positive relationships with the workforce is making sure these management concepts are followed and put into reality.

Conclusion

We trust that this article on Henri Fayol's 14 management principles with examples will have given you a better understanding of how to manage your teams, plan, organize, control, coordinate, and make better decisions in order to achieve a shared corporate goal. These criteria apply to all management functions. To achieve the goal and generate a profit, the manager must behave in accordance with the 14 management principles. Henri Fayol's 14 management tenets are widely acknowledged. They provide as a guidance for managers as they carry out their duties in accordance with their responsibilities.

These concepts can be used to the management of organizations, and they serve as effective instruments for forecasting, planning, process management, organization management, supporting the development of technical skills, using a variety of project management methodologies, decision-making, coordination, and control.

Even though they should be clear, many of these issues are nonetheless taken into account in modern management theory and common sense-based management practices in firms. It is still a useful list of areas of emphasis based on Henri Fayol's study, which is still relevant today because of a few logical precepts. Today, the 14 Deming points can be used as an extension of these concepts or as a substitute to encourage organizational development with a continuous improvement emphasis.

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