



Henri Fayol, practitioner and theoretician – revered and reviled

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Abstract

Purpose – Fayol's theories were the original foundation for management as a discipline and as a profession. Also Fayol was the first to advocate management education. Yet he has critics who revile him (or at least disparage his work) as well as followers who respect and revere him. This paper intends to enlighten today's practitioners and academicians about the relevance and value of Fayol's theories today.

Design/methodology/approach – The paper addresses Fayol's contributions as well as the disparagement and the reverence. It compares Fayol's work with that of Follett, Mintzberg, Taylor, and Porter. In addition, it demonstrates the original and current interpretation and application of his theories. Finally, it indicates the alignment of Fayol's theories with strategic leadership and management.

Findings – Fayol's theories are valuable and relevant for organizational leaders because Fayol was a practitioner who documented theories that worked best for him and his co-workers. While there are those who criticize Fayol's theories, there are many others who respect them and find them useful as academicians and as practitioners. The theory of management functions aligns well with strategic leadership and management models and theories.

Originality/value – The paper is the first to integrate Fayol's theories with a strategic leadership model.

Keywords Management theory, Management history, Leadership

Paper type General review

Introduction

As one of the early management practitioners who established theories and principles of management, Fayol should be of interest to students, teachers, and practitioners of management. This is especially true since many management authors (Brunsson, 2008; Parker and Ritson, 2005b; Wren *et al.*, 2002; Rodrigues, 2001; Fells, 2000) believe that his work established the basic principles and framework for management theory and that it is the foundation of management theory as we know it recently. Fayol has been discussed extensively in the literature from many perspectives, including the following:

- The historical Bedeian and Wren (2001), Breeze (1985; 2002 a, b), Breeze and Miner (2002), and framework for management perspectives (Brunsson, 2008; Rodrigues, 2001; Wren *et al.*, 2002).
- Comparison with other management theorists, e.g. Follett (Parker and Ritson, 2005a); Mintzberg (Lamond, 2004), Taylor (Berdayes, 2002; Parker and Lewis, 1995); and Porter (Yoo *et al.*, 2006).
- Contemporary management (Parker and Ritson, 2005b; Rodrigues, 2001).
- The perspective of strategic management (Wren, 2001, p. 482).

This paper discusses the above four perspectives. As part of Item 4, we compare Fayol's theories with the 5P's Strategic Leadership Model. This model requires



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alignment of the sub-elements of the model as they are implemented in order for a system to be efficient and effective.

Historical and framework for management

Fayol (1916) was not well known until his book *Administration Industrielle et Generale* was published in 1916. When the book was translated by Storr and the title was translated as *General and Industrial Management*, it received widespread publicity and established Fayol as a major authority on management (Fayol, 1949; Wren, 2001). When we analyze the theories of Henri Fayol, we must remember that they filled a vacuum where little else existed in terms of management (administrative) theory. Fayol's theories were the result of his managerial experiences and his reflection on the ones that worked best. When he retired at the age of 77, he spent his time popularizing and publishing his theories of administration and founding the Centre of Administrative Studies (Urwick, 1949).

When we talk of organizational theory, Fayol is best remembered for his contribution to school of management thought. First, Fayol believed that organizational and business life was an amalgam of six activities – technical; commercial; financial; security; accounting; and management (Fayol, 1949; Parker and Ritson, 2005b; Bakewell, 1993). Second, Fayol is known for the five elements or functions of management, i.e. planning, organizing; coordination; command; and control (Fayol, 1949; Wren, 1972; Breeze, 1985; Robbins *et al.*, 2000). Gulick expanded Fayol's functions of management from five to seven by adding staffing, directing, reporting, and budgeting to planning, organizing, and coordinating. Finally, Fayol advocated 14 principles of management designed to guide the successful manager (Fayol, 1949; Armstrong, 1990; Breeze, 1985; Wren, 1972). Fayol's 14 principles of management are: division of work; authority; discipline; unity of command; unity of direction; subordination of individual interests to the general interests; remuneration; centralization; scalar chain; order; equity; stability of tenure of personnel; initiative; and *esprit de corps* (Fayol, 1949, pp. 19-42; Cole, 1984, pp. 13-14).

Students of management history should understand why Fayol's theories continue to be valuable contributions to management because many management experts consider his 14 principles of management to be the early foundation of management theory as it exists today (Wren, 1994, 1995; Bartol *et al.*, 2001; Bedian and Wren, 2001; Rodrigues, 2001; Wren, 2001; Breeze and Miner, 2002; Robbins *et al.*, 2003). In addition, they need to understand Fayol's life, his management career, and his seemingly pressing desire to continue learning throughout his life and to document for future generations the important things he learned. In other words, he seemed to understand the relevance of his theories, that they are essential for an organization to be successful. Urwick (1949) notes that Fayol really had four careers with ultimate success in each of them as follows:

- (1) As a technical [...] he achieved national distinction for his work in mining engineering.
- (2) As a geologist, he propounded a completely new theory of the formation of coal-bearing strata and supported it with a detailed study [...] unique geological research.
- (3) As a scientist turned industrial leader, his success [...] was phenomenal [...] he applied (and encouraged others to apply) the scientific approach to problems. (He was a financial success).

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- (4) As a philosopher of administration and [...] statesman, he left a mark on the thinking of his own and of many other European countries (ix).

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Fayol's contributions to management theory include elements (i.e. functions) of management, general principles of management, and definitions of management with classifications of activities. Fayol (1949, p. 3) noted that all activities and essential functions in an industrial organization, whether it is simple or complex, can be classified into six groups:

- (1) Technical activities (production, manufacture, adaptation).
- (2) Commercial activities (buying, selling, exchange).
- (3) Financial activities (search for and optimum use of capital).
- (4) Security activities (protection of property and persons).
- (5) Accounting activities (stocktaking, balance sheet, costs, and statistics).
- (6) Managerial activities (planning, organization, command, coordination, control).

Fayol was the first to distinguish between technical and managerial skills (Wren, 1994).

According to Fayol (1949), employees need to be proficient in all the skills at each level, but technical skills would be essential not only at the worker level, but in management positions. Of course, managerial skills would become increasingly important as employees assume higher levels of management responsibility in the hierarchy of command.

Breeze and Miner (2002) noted that Fayol gave the managerial activity or function of planning the name of *prevoyance*. However, the French word *prevoyance* had no precise meaning in English, so various authors (Coubrough, 1930; Storrs, 1949) translated it as *planning*. Brodie (1962) and current English dictionaries translate *prevoyance* as “foresight.” Various articles and papers about Fayol use the terms *foresight* and *forecasting* as well as *planning* when discussing Fayol's management functions (Breeze and Miner, 2002; Parker and Ritson, 2005b). Brunsson (2008) reiterates that Fayol's management principles were considered as all of the activities that the manager has to perform in the organization, i.e. *planning; organizing; coordination; command; and control*, the actual work in the organization (Brunsson, 2008).

Fayol developed 14 principles of managements as the foundation of his management theory and cautioned that “principles are flexible and capable of adaptation to every need” (Fayol, 1949, p. 19). *Division of labor* (Fayol, 1949, p. 20) is a concept which requires specialization of labor which enables people to perform work more efficiently. The work is divided into small elements and assigned to workers with specialized skills (Rodrigues, 2001). *Authority and responsibility* (Fayol, 1949, p. 21) are a requirement for managers in order for them to accomplish organizational goals. Fayol (1949, p. 21) makes a distinction between authority and responsibility so that we will know that both are required. He notes that “Authority is the right to give orders and the power to exact obedience”. He goes on to say that “Responsibility is a corollary of authority [...] its natural consequence and essential counterpart, and wheresoever authority is exercised responsibility arises” (Fayol, 1949, p. 21). In other words, authority should be commensurate with responsibility in order for managers to be successful in their jobs (Fayol, 1916; Rodrigues, 2001). *Discipline* (Fayol 1949) is [...] “obedience, application, energy, behavior, and [...] respect observed in accordance with [...] agreements between the firm and its employees [...]” (p. 22). Fayol goes on to say that [...] “the state of discipline of any group of people

depends essentially on the worthiness of its leaders” (p. 22). He notes that both managers and employees should honor their agreements. He also implies that managers can inspire or demand obedience and respect and that inspiration is the better of the two. Unity of command (Fayol, 1949, p. 24) states that “for any action whatsoever, an employee should receive orders from one superior only”. This is the origination of “the one (person), one boss rule” (Rodrigues, 2001, p. 882). Fayol believed that violation of the unity of command principle would cause discipline and instability problems because no person can serve two masters (Fayol, 1916; Wren, 1994). Unity of direction (Fayol, 1949, p. 25) suggests that there must be “one head and one plan” (i.e. one line of direction) for all of the activities that have the same objectives. Subordination of individual interests to the general interest (Fayol, 1949) requires that the interest of the organization should prevail over the interest of one employee or one group of employees. Fayol (1949) notes that “ignorance, ambition, selfishness, laziness, weakness, and all human passions tend to cause the general interest to be (subjugated) to individual interest and a perpetual struggle has to be waged against them” (p. 26). Remuneration of personnel (Fayol, 1949) is the “price of services rendered” (p. 26). Compensation of employees should be fair, based on the value of the employees, and an amount that would be satisfactory to the employees and the organization. He goes on to explain the types of remuneration (time, job, and piece rates; bonuses, profit-sharing, and non-financial incentives). Centralization (Fayol, 1949, p. 33) “belongs to the natural order”. Centralization and decentralization refer to the extent to which decision making is concentrated at one particular level or is at successively lower levels in the chain of command (Katz and Kahn, 1966). Fayol (1949, p. 33) notes that “the question of centralization or decentralization is a simple question of proportion [...] (and there is) an optimum degree for the particular concern”. He also suggests that there are advantages and disadvantages to both centralization and decentralization. Scalar chain (Fayol, 1949, p. 34) “is the chain of superiors ranging from the ultimate authority to the lowest ranks, and [...] all communications should start from or go to the ultimate authority”. Order (Fayol, 1949, p. 36) refers to material order “a place for everything and everything in its place” and human order “a place for everyone and everyone in his place”. The principle of order embodies the ideas that every thing and every person should be at the right time at the right place that and all the activities should be structured. Equity (Fayol, 1949, p. 38) “results from the combination of kindness and justice” (and it involves) equality of treatment without “neglecting any principle or losing sight of the general interest”. Stability of personnel tenure (Fayol, 1949, p. 38) cautions that it takes time to “get used to new work and succeed in doing it well [...] assuming (the employee) possesses the requisite abilities”. Therefore, employees should be given time to learn their respective jobs and to succeed in performance of them. Initiative (Fayol, 1949, p. 39) refers to thinking out and executing a plan. It requires the power and freedom to propose and execute plans. Organizations encourage and reward the employees who possess the zeal and energy to create innovative ideas and take initiative to implement them. Esprit de Corps (Fayol, 1949, p. 40) is based on the concept that “union is strength”. Esprit de corps is necessary “to maintain high morale and unity among employees” (Rodrigues, 2001, p. 885).

Fayol was a firm believer that if organizational leaders used his theories, including the 14 principles of management, they would be able to achieve performance excellence. For example, the principle of division of labor would help employees be more efficient by specializing in different tasks (Fayol, 1949; Meier and Bohte, 2000). Rodrigues (2001) agreed that an organization’s proper implementation of Fayol’s 14 principles of

management would lead to organizational efficiency and effectiveness. He especially supported the concept of continuous training of personnel. Training is important because it not only improves employees' skills, knowledge, and competencies, but it also enhances organizational capacity, capability and performance which are essential ingredients for organization effectiveness and are the foundation of an organization (Rodrigues, 2001).

Fayol (1949, p. 42) concluded, "Without principles we are working in the dark and in chaos, without experience and judgment we are still working under great difficulties, even with the best of principles. The principle is the lighthouse, which enables us to get our bearings, but it can only help those who know the way into port (Wren, 1994, p. 188)." The following are Fayol's (1923, p. 22) five basic tools for successful administration which are included in "La Doctrine administrative dans l' Etat" or "Administrative theory in the state" and discussed by Breeze (2002b):

- (1) The general survey is used to assess an organization in terms of past and present objectives. This includes what organization leaders want to achieve and what would be the probable future (i.e. outcomes). He suggested that each department should be surveyed as so to get the complete picture.
- (2) The business plan is a series of activities which need to be performed in order to achieve the organization's long-term goals. All departments should have their respective business plans with objectives and strategies to achieve those overall organizational objectives.
- (3) The operations report which may be generated daily, monthly, or yearly is used in the evaluation of performance results.
- (4) Minutes of meetings of department heads are used to provide insight to the organization and should be communicated throughout the organization to help in controlling and coordinating across functions.
- (5) The organization chart depicts authority and responsibility throughout the scalar chain (i.e. who reports to whom so as to follow the chain of command and assist in monitoring accountabilities and responsibilities).

Fayol believed these five basic tools are indispensable to every organization and important at every stage in an organization's life cycle. Some of these tools are strategic (e.g. the business plan), and some are tactical (e.g. the operations report). These tools have different purposes and achieve different organizational results. However, all of them strengthen an organization's capabilities for efficiency and effectiveness. As a result, the tools help organizations to grow and achieve excellence (Fayol, 1923; Breeze, 2002a).

Comparison with other management theorists

Our literature search revealed that Fayol's theories have been compared with the theories of various other management authors including Follett (Parker and Ritson, 2005a) Mintzberg (Lamond, 2003, 2004) Taylor (Berdayes, 2002; Parker and Lewis, 1995); and Porter (Yoo *et al.*, 2006). Some of the discussions of Fayol's theories (particularly by Mintzberg) were negative as were some of the comparisons of Fayol's theories with those of other authors (particularly with Mintzberg). It is because of Mintzberg's somewhat disparaging remarks about Fayol's contributions to management theory that we use the term "reviled" in the title of this paper.

Comparison with Follett

Fayol and Follett both achieved notoriety first in their own countries and then throughout the world as management practitioners and thinkers. Over time, the work of Fayol and Follett seems to have been subjected to secondary status as their work has been summarized, simplified, stereotyped, and misinterpreted. Parker and Ritson (2005a,b, p. 1336) evaluate and compare the ideas of Fayol and Follett to determine “the extent to which their ideas anticipated later emerging schools of management thought and practice (as well as) the extent to which their work has been stereotyped by later writers and commentators”. The intent of Parker and Ritson (2005a,b, p. 1336) is to reveal the “more complex characteristics of their thinking and its prescience for today’s management theory and practice”.

Parker and Ritson (2005a, p. 1339) postulate that the stereotyping of Follett has “impeded her ability to communicate to successive generations of management practitioners and theorists”. According to Parker and Ritson (2005a), the first misrepresentations were by Urwick (1956a, b) and Urwick and Brech (1948) who portrayed Follett as a contributor to Taylor’s Scientific Management. Then she was described by Child (1969, 1995) “as an early participant in, or at least a precursor to, the *Human Relations Movement*” (Parker and Ritson, 2005a, p. 1340). They also indicate that recently “Fayol exists primarily as a somewhat shadowy figure in the ‘management history’ section of contemporary management texts” (Parker and Ritson, 2005a, p. 1348). They note that his relevance is diminished by comparisons with Taylor because those comparisons often show Fayolism as complementary as well as competing with Taylorism. Also, they regretfully acknowledge that in many management texts, “Fayol’s relevance to the practice of contemporary management receives little acknowledgement” (Parker and Ritson, 2005a, p. 1348).

Comparison with Mintzberg

Fayol’s management theories were the result of his lifelong work as a practitioner, then a theoretician whereas Mintzberg’s work was more a snapshot resulting of reality from his work as a researcher and academician. According to Lamond (2004, p. 330), “Fayol gave us management as we would like it to be and Mintzberg gave us management as it is”. Duncan (1999) questions whether Mintzberg or Fayol is right. However, Wren (1994) views the theories of Fayol and Mintzberg as different, but not competing. In other words, they both contributed useful management theories, and their theories are not mutually exclusive. Along that same line, Tsoukas’ (1994) indicates that the relationship between roles (Mintzberg, 1973) and functions (Fayol, 1949) is a corollary, not an antithesis, relationship. Other authors (Lamond, 2004; Fells, 2000) also note compelling linkages between Fayol’s functions and Mintzberg’s roles. Lamond (2003, p. 5) “argues that what Mintzberg has done, albeit unwillingly and unwittingly, is reaffirm and elaborate Fayol’s ideation on management”. Regardless of the ways that various authors attempt to describe relationships between Fayol’s and Mintzberg’s theories, the relationships are not there according to Mintzberg (1973). He was very critical of Fayol’s theories, dismissing Fayol’s concept of managerial work as “folklore” compared to the “findings of his systematic research” (Mintzberg, 1989, p. 9). In addition, he emphatically stated that management is not about functions. Instead it is what managers do. Mintzberg (1989, p. 9) further emphasized that “If you ask managers what they do, they will most likely tell you that

they plan, organize, coordinate, and control. Then watch what they do. Don't be surprised if you can't relate what you see to those four words". It is obvious from the dramatically different opinions of various authors, including Mintzberg himself, that some will continue to revere (and some will continue to revile or reject) Fayol's theories. However, we can speculate that the debates, and the results of the debates, might be quite different if Fayol were here to personally explain his theories and challenge the naysayers.

Comparison with Porter

Fayol's writing included strategic thinking. For example, when discussing planning, he notes that "managing means looking ahead" (Fayol, 1949, p. 43).

Fayol (1949, p. 43) goes on to say that plans rest on, i.e. depend on: (1) the firm's resources [...] (2) the nature and importance of work in progress, and (3) future trends [...] (in) technical, commercial, financial and other conditions (which are) all subject to change.

So Fayol discusses many of the issues that must be addressed in strategic planning. More than a comparison to Porter, however, is the potential for using Fayol's theories to clarify and assist in the execution of Porter's theories. For example, Yoo *et al.* (2006, p. 354) indicate that they propose "a different way to think about the implementation of the Porter framework (for strategic management, particularly cost-leadership and differentiation strategies), i.e. using the time-honored principles of management proposed by Fayol". In their article entitled principles of management and competitive strategies: Using Fayol to implement Porter, they note that Porter's competitive strategies are generic and not easy to understand and implement. They suggest that using Fayol's theories to implement Porter's theories enhances knowledge and supports strategy execution. Specifically, they discuss the effect of each of Fayol's principles on the implementation of cost leadership and differentiation strategies (Yoo *et al.*, p. 356).

Comparison with Taylor

Berdayes (2002, p. 40) examines the classical theories of Henri Fayol and Frederick Taylor and postulates that their theories are examples of "panoptic discourse", i.e. communication about "exercising social control during the modern era". Both Fayol and Taylor were early contributors to classical management theory. Berdayes (2002) suggests that the following are ideas of Fayol and Taylor that unite their work:

- Work processes, organizational structures, and an emphasis on a hierarchical division of labor.
- Creation of the concept of the organization as a whole (Fayol delineated clear lines of authority into a conceptual and functional unity, and similarly Taylor emphasized formalization of work processes into a total organization).
- Emphasis on formal rationality by supporting scientific techniques, order, and efficiency.
- The role of managers is to work with and encourage their workers. Taylor (1947) indicated that managers should work along with the workers, helping, encouraging, and smoothing the way for them. However, he also sought to change their mental attitudes and behaviors on the basis of scientific principles so as to improve operational efficiency. Along this same line, Fayol (1949) noted

that need to determine their workers abilities, encourage and train them, and reward enthusiasm, initiative and success.

While the work of Fayol and Taylor produced similar theories and concepts, there were differences. For example, Berdayes (2002) notes that Fayol was more open in terms of maintaining flexibility in the implementation of his theories and in organizational hierarchies. Brunsson (2008) offers more distinctions between the theories of Fayol and Taylor as she postulates that Taylor's view is a contingent, bottom up (i.e. shop floor) view of organizations and that Fayol's view is a top-down perspective. Brunsson (2008, p. 30) obviously prefers the work of Taylor over Fayol as she notes that "Taylor's contingent notion of management [...] describes managerial practice more accurately" than Fayol's concept of "general management".

Brunsson (2008, p. 38) noted that Fayol and Taylor both "believed that all kinds of organizations, irrespective of their production, size, or location, need management and managers". Taylor's principles of "scientific management are based on [...] specialization and standardization [...] and regulate the relationship between managers and their subordinates" (p. 38). Taylor believed that managers and workers should specialize, but he expected the management activities to vary depending on the types of production and the specific organization. On the other hand, Fayol's concept of general management specifically defines the activities of managers. Also, Taylor believed that managers should be technical experts who can perform the work better than their subordinates, but Fayol envisioned them to be more organizational experts who had benefitted from a general management education (Brunsson, 2008).

Brunsson (2008, p. 42) even suggest that Fayol was perhaps wrong in his concept of general management and that "there exist in practice only a vast number of different types of management, all depending on the situation of a particular organization and on the position and personality of the individual manager". Further, Brunsson (2008) postulates that if Fayol's theories had been better scrutinized, Taylor's theories would have prevailed, and Fayol's ideas of top-down management [...] would have been equally disparaged (as Taylors's).

Parker and Ritson (2005a, pp. 1348-9) note that various authors portray Fayol and Taylor as "romantic rationalists" Merkle (1980) and "functionalists" (Norton and Smith, 1998) who consider workers as cogs in machines, the means to an end, who work only for money (Bartol *et al.*, 2001; Robbins *et al.*, 2000; Schermerhorn *et al.*, 2004). Parker and Ritson (2005a, p. 1349) indicate that Taylor and Fayol are also seen by some (Robbins *et al.*, 2000; Bartol *et al.*, 2001; Schermerhorn *et al.*, 2004) as advocating a universalistic approach to management, i.e. "prescribing a rigid and inflexible set of principles designed to suit all organizations". However, Fayol was much more flexible in the application of his theories and did not at all fit the universalistic stereotype. In fact, Fayol (1949) discussed changing plans to meet changing circumstances and many other topics regarding flexibility.

As we re-read Fayol's (1916) book, we contemplate as Wren *et al.* (2002) did Fayol's theories as opposed to secondary accounts and various interpretations of his theories. We applaud attempts of various authors to demonstrate where Fayol's theories are similar to, or aligned with, the theories of other management experts (Mintzberg, 1973, 1989). While we respect, and see the value of, Mintzberg's (1973, 1989) theories, we see Fayol's theories as the original foundation for management as a discipline and

a profession. We also note that Fayol was the first to advocate management education. Additional elucidation of Fayol's principles is provided to further substantiate their relevance for contemporary management.

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Relevance for contemporary management

Fayol's principles were a guide to theory and practice in the early days of management theory. However, many of his principles are represented in contemporary management theories which describe what today's managers should do to be effective and efficient. Still there is a debate among various authors about the relevance of Fayol's theories for contemporary managers. Some authors (Archer, 1990; Fells, 2000; Hales, 1986) support Fayol's management theories as being meaningful and useful across generations. Others (Kotter, 1982; Mintzberg, 1973, 1989) reject Fayol's theories because of the results of their own work. Still others reject Fayol's theories because of the results of contemporary research of others (Rolph and Bartram, 1992; Secretan, 1986).

This is not a matter of modern management writing restating what Fayol said a century ago and arguing over his terminology. Instead this is a debate over the relevance of Fayol's theories and principles in today's modern world. It is also a debate over whether the models and theories of other management writers are similar to, support of, Fayol's theories or whether they instead substantially reject his theories. For example, in discussing Fayol and Mintzberg, Fells (2000, p. 348) cautions that "acceptance of Mintzberg's model does not necessarily negate the validity of another if [...] that other is simply a different view or perspective of the same thing". Fells (2000, p. 350) notes that "the views of both Kotter (1982) and Mintzberg (1973) tend to confirm rather than deny this (Fayol's) classical view. Fells (2000) goes on to say that Kotter's (1982) long-run goal formulation and direction setting can be translated as planning and Mintzberg's (1973) 'disturbance handler' could involve Fayol's controlling, commanding, and coordinating". Fells (2000, p. 350) indicates that Wren (1994) "provides [...] the best contemporary discussion of the work of Fayol [...] on management principles [...] (with Wren noting) "that Kotter is actually quite supportive of Fayol (and relating) Mintzberg's ten roles to the more traditional elements as described by Fayol".

Hales (1986) believed that Fayol's model (14 principles and five elements of management) which is also known as the classical work of Fayol (1949) is relevant and appropriate to contemporary management. Also, Hales (1986) displayed acceptance of Fayol's theory by including three of Fayol's (1949) management functions (planning, controlling, and directing) in his own model. Hales (1986) noted that Fayol's five management functions, i.e. planning, organizing, coordinating, commanding, and controlling pass the test of time and are applicable in all organizations. Mintzberg (1989, p. 9) theoretically agreed when he stated "if you ask managers what they do, they will most likely tell you that they plan, organize, coordinate, and control". However, in practically Mintzberg (1989) vehemently disagreed when he went on to say that if you observe managers at work you will find that what they do is quite different.

Archer (1990) was of the view that America should again follow Fayol principles. He observed that during the period of 1930-1960 when US productivity and standard of living levels were elevated and Fayol's principles were followed. Archer also argued that much of the Japanese success can be attributed to adherence of Fayol's principles. He gave examples of Japanese techniques which embodies the Fayol's principles (Archer, 1990, pp. 19-22; Fells, 2000, p. 345):

- JIT (just in time) relates to Fayol's principle of order;
- advanced approaches to assembly line balancing, quality, and production control mechanisms relate to division of work;
- quality circles increase *esprit de corps*; and
- lower-level decision making (empowerment and process ownership) relate to Fayol's principle of initiative.

The authors agree with Archer (1990) and believe that Fayol's theories are relevant in today's organizations. Table I depicts the earlier interpretation of Fayol's 14 principles of management as well as their current interpretation and application.

Strategic management perspective

Management principles and theories, such as Fayol's theories, should be compatible with, and supportive of strategic management theories. According to Yoo *et al.* (2006), a relationship exists between Fayol's 14 principles and Porter's strategic management theories, particularly theories about cost leadership and differentiation strategies (Porter, 1980, 1985). We find that Fayol's theories are even more compatible with the 5P's Strategic Leadership Model (Pryor *et al.*, 1998, 2007; Figure 1).

Purpose includes mission vision, goals and strategies (i.e. strategic elements) that are very compatible with Fayol's planning function. While Fayol does not address principles *per se*, he does address equity, morality, and courage. In the 5P's model, people and processes are leaders and systems. Fayol's organizing and coordination functions are quite similar. The final element in the 5P's model is performance which includes measurements, key performance indicators, and results. This is very compatible with Fayol's command and control functions. Figure 1 shows the integration of the five elements of the 5P's Strategic Leadership Model with Fayol's five elements or functions of management.

The 5P's model of Strategic Leadership is currently being utilized by practitioners (12Manage.Com) as well as academicians (Pryor *et al.*, 1998, 2007). The elements of the 5P's model are easily integrated with (and aligned with) Fayol's theories. This ease of integration and alignment demonstrates the extent to which Fayol's theories are still relevant and useful. We believe that Fayol's theories are applicable in all types of organizations. In addition, we believe that we have demonstrated that his theories are ageless and will continue to be relevant and useful for years to come.

Conclusions, implications, and recommendations

Fayol's theories are valuable and relevant for organizational leaders because Fayol was a practitioner who documented theories that worked best for him and his co-workers. While there are those who criticize Fayol's theories, there are many others who respect them and find them useful as academicians and as practitioners. The theory of management functions aligns well with strategic leadership and management models and theories.

Perhaps it is time to stop the debate over whether or not Fayol's principles and theories are useful and relevant today. They have proven their usefulness and relevance over time, and we have demonstrated their application and capability for adaptation in Table I. We also question whether the denigration of Fayol's work is necessary in order to support theories of other authors. It is interesting and relevant to compare Fayol's principles and

Principle	Previous interpretation/application	Current interpretation/application
Division of work	Specialization	Specialization exists. Cross-training is used so that employees (and organizations) have more capabilities
Authority and responsibility	The right of the boss to give orders and exact obedience	Empowerment and process ownership enable people at all levels to make decisions. Fayol's ideas are still very relevant (e.g. authority and responsibility must be co-equal)
Discipline	Obedience; respect based on mandated or freely debated agreements	Self discipline. Respect based on knowledge
Unity of command	Employee should receive orders from only one boss	With matrix organizations and teams, people receive instructions from multiple people which can cause problems. Functionally employees may report to one boss who evaluates the employee
Unity of direction	One plan for a group of activities having the same objective; focusing the effort; primarily vertically oriented	Strategic management involves bottom up, top down and cross functional input to integrated plans
Subordinate of individual to general interest	Supervisor requires this	Team members align individual and team, personal, and work goals. Those goals still have to support the general interest/organization
Remuneration	Depends on personnel availability, value of employee, economic position of organization. Individual rewards	Pay for knowledge and core competencies. Team rewards and profit sharing
Centralization and decentralization	Role of employees is reduced. Decisions are made by management – a continuum	Role of employee is increased. Local decisions. Process ownership. More decentralization
Scalar chain	Hierarchical chain of command/line of authority, vertical communication	Horizontal or cross functional authority. Team structure
Order	A place for everything and everything in its place. Social and hierarchical order	Chaos, creativity, and innovation.
Equity	Equity results from kindness and justice	Equity is demanded by workers based on performance
Stability of tenure and personnel	Mediocre managers who stay preferable to outstanding managers who come and go	It is better to have best managers for a while than mediocre managers for a longer time
Initiative	Thinking out and executing a plan. Limits imposed by respect for authority and discipline. A manager who permits the exercise of initiative is valued	Respect and caring for customers is an impetus for initiative. Managers who encourage initiative are valued. The principle of initiative is relevant to today's concepts of empowerment and process ownership
Esprit de Corps	Union is strength. Harmony. Real talent coordinates effort. "Dividing enemy forces to weaken them is clever, but dividing one's own team is a grave sin against business"	Only dysfunctional conflict is bad. Diversity and differences are necessary if creativity and innovation are to flourish. The concept of esprit de corps is still relevant in terms of strength of teams to accomplish objectives

Sources: Columns one and two were developed from reading Fayol (1949); adapted from: Pryor *et al.* (1998)

Table I.
Fayol's 14 principles
of management

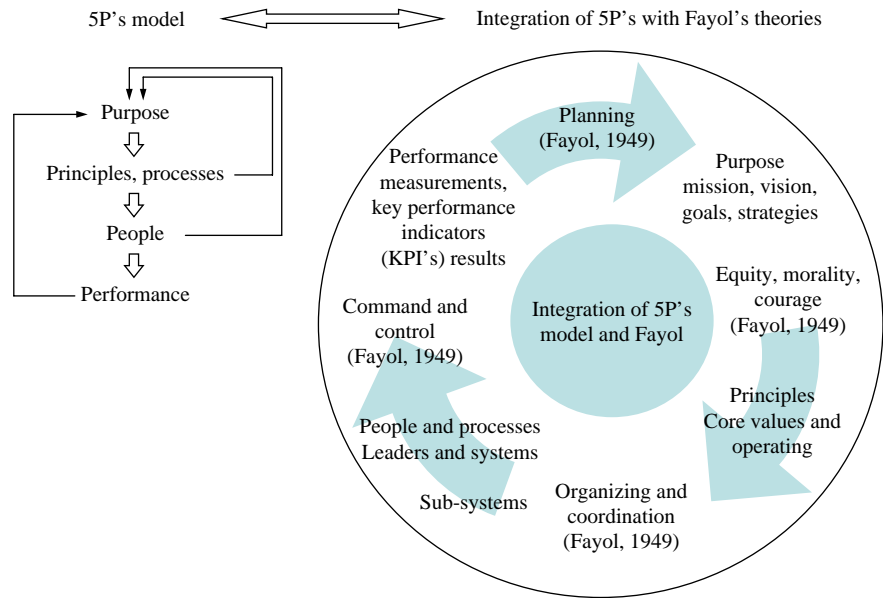


Figure 1.
5P's Strategic Leadership
Model and Fayol's theories

theories with those of other writers such as Follett, Mintzberg, Taylor, and Porter. By such comparisons, we can strengthen our knowledge of management.

Fayol's work in the early 1900s did not, and could not, encompass the various management theories that exist today. It was simply a beginning that was presented by a management practitioner who established principles and ideas that became the foundation of management theory. We should appreciate Fayol for his contributions, and it would be worthwhile to include his 14 principles of management in management texts so that students, teachers and practitioners will understand the relevance of, and be able to utilize, Fayol's principles and theories.

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