

Henry Fayol's 14 Principles of Management

Concise Notes with Examples

Overview

Henri Fayol (1916) proposed 14 guiding principles to improve organizational efficiency and managerial effectiveness. Below is a practical summary designed for quick study and classroom use.

The 14 Principles

1. **Division of Work** — Specialization increases speed, accuracy, and skill.
Example: In production, one worker cuts, another assembles, another inspects.
2. **Authority & Responsibility** — Right to give orders must be balanced with duty to deliver results.
Example: A sales head who sets targets is accountable for meeting them.
3. **Discipline** — Respect for rules, agreements, and professional conduct.
Example: Punctuality and adherence to safety protocols on the shop floor.
4. **Unity of Command** — Each employee reports to one superior to avoid confusion.
Example: A technician receives instructions only from the maintenance manager.
5. **Unity of Direction** — Activities with the same objective follow one plan under one head.
Example: All digital campaigns follow a single marketing plan for a product launch.
6. **Subordination of Individual Interest** — Organizational goals take priority over personal agendas.
Example: Not using company vehicles for private errands.
7. **Remuneration** — Fair compensation (financial and non-financial) promotes motivation.
Example: Competitive salary plus recognition programs and growth opportunities.

8. **Centralization & Decentralization** — Distribute decision power appropriately for speed and control.
Example: Top management sets strategy; branch managers decide local promotions.
9. **Scalar Chain (Hierarchy)** — Clear line of authority from top to bottom; allow *gangplank* in emergencies.
Example: Routine messages follow hierarchy; urgent issues may use direct lateral contact.
10. **Order** — Everything and everyone in the right place.
Example: Right person–right job; 5S layout to place tools where needed.
11. **Equity** — Fairness and kindness in treatment to build trust and commitment.
Example: Transparent criteria for promotions and appraisals.
12. **Stability of Tenure** — Job security reduces turnover and learning costs.
Example: Retention plans and career paths to keep trained employees.
13. **Initiative** — Encourage employees to propose and implement improvements.
Example: Suggestion schemes for process tweaks that save time or cost.
14. **Esprit de Corps** — Foster team spirit, unity, and morale.
Example: Cross-functional huddles and celebrating shared wins.

Exam-Ready One-Liners (Quick Revision)

- Division of Work: Specialize to optimize.
- Authority & Responsibility: Rights with duties.
- Discipline: Rules and respect.
- Unity of Command: One boss.
- Unity of Direction: One plan.
- Subordination: Firm over self.
- Remuneration: Fair pay & rewards.
- Centralization: Balance control & speed.
- Scalar Chain: Clear hierarchy.
- Order: Place and placement.
- Equity: Fair, kind, just.
- Stability: Reduce turnover.
- Initiative: Empower ideas.
- Esprit de Corps: Team spirit.

Suggested Short Questions

- Differentiate *unity of command* and *unity of direction* with examples.
- How does *equity* support *stability of tenure*?
- Explain why centralization is a spectrum, not a binary choice.

Tip for teachers: Use the quick-revision box as a slide or handout. Ask students to pair each principle with a real example from campus or local businesses.