

2.11: Administrative Management Theories

Learning Outcomes

- Discuss administrative management theory



Figure 1. Henri Fayol

The current understanding of management functions is based in large part on a third classical management theorist, Henri Fayol. A mining executive and engineer, Fayol's administrative management theories were developed after observing a work stoppage that he judged to be a management failure. In his 1916 book, *Administration Industrielle et Générale* (Industrial and General Administration), Fayol proposed the following 14 principles of management:^[1]

1. **Division of Work.** When employees are specialized, output can increase because they become increasingly skilled and efficient.
2. **Authority.** Managers must have the authority to give orders, but they must also keep in mind that with authority comes responsibility.
3. **Discipline.** Discipline must be upheld in organizations, but methods for doing so can vary.
4. **Unity of Command.** Employees should have only one direct supervisor.
5. **Unity of Direction.** Teams with the same objective should be working under the direction of one manager, using one plan. This will ensure that action is properly coordinated.
6. **Subordination of Individual Interests to the General Interest.** The interests of one employee should not be allowed to become more important than those of the group. This includes managers.
7. **Remuneration.** Employee satisfaction depends on fair remuneration for everyone. This includes financial and non-financial compensation.
8. **Centralization.** This principle refers to how close employees are to the decision-making process. It is important to aim for an appropriate balance.
9. **Scalar Chain.** Employees should be aware of where they stand in the organization's hierarchy, or chain of command.
10. **Order.** The workplace facilities must be clean, tidy and safe for employees. Everything should have its place.
11. **Equity.** Managers should be fair to staff at all times, both maintaining discipline as necessary and acting with kindness where appropriate.
12. **Stability of Tenure of Personnel.** Managers should strive to minimize employee turnover. Personnel planning should be a priority.
13. **Initiative.** Employees should be given the necessary level of freedom to create and carry out plans.
14. **Esprit de Corps.** Organizations should strive to promote team spirit and unity.

Although the majority of these management principles still hold true today, Fayol's most significant contribution to the field of management theory is his identification of the duties of management. His original list of five management duties: foresight, organization, command, coordinate and control, has been modified over time. Current theory identifies six management functions:

planning, organizing, staffing, leading, controlling and motivating. This list reflects the addition of two functions—staffing and motivating—and the recategorization of the command and coordinate duties as leading.

? Practice Question

<https://assessments.lumenlearning.co...essments/18104>

1. "Henri Fayol's Principles of Management: Early Management Theory." MindTools. Accessed July 29, 2019. ↵

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