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HENRI FAYOL (1841)

Henri Fayol, a renowned French engineer-manager, was among the pioneers who systematically examined their own personal administrative experience on the basis of theories of management. Unlike Taylor, who emphasised on first line supervision in production area, Henri Fayol's work was oriented toward the higher level of organisation. However, both the scholars had focussed on the problems of industrial administration.

Henri Fayol was born in 1841 and like Taylor he also belonged to a middle class family. After his graduation in mining engineering, he was appointed as an engineer in a mining company in 1860. At the age of 47, he had risen to the position of managing director of this mining firm.

It is noteworthy that when Fayol took the administrative charge of the company, it was on the verge of bankruptcy. But Fayol's efforts enabled the company to rise from the position of bankruptcy

to that of great financial success. The organisation also evolved an administrative and technical staff which was known for its competence and excellence throughout France.

He was a prolific writer on technical and scientific matters as well as management. He published number of books / papers on management. The most outstanding of his writing is his book General and Industrial Management. A large number of his papers are concerned with the reforms of the public services. His paper on 'The Theory of ~~Management~~ Administration in State' is considered a major contribution to the Theory of Public Administration.

As soon as his book "Administration Industrielle et Generale" was published in 1916, French executive started analyzing the operation of their organisation employing the methodology devised by Fayol. Gradually, Fayol's Theory became popular in non-industrial areas too as well. In fact Fayol had constantly emphasized the possibility of the Universal applicability of his management principles to all forms of human

endeavour.

After having developed a theory of administration, Fayol gave stress to spreading the knowledge of this theory. For this he argued that it would be desirable to teach it in schools and universities. It may be mentioned that Fayol was very critical of civil engineering college in France for not including the subject of administration in their course. He believed that administrative knowledge could not be developed through technical training alone.

Soon after his retirement he devoted himself to the teaching of management in schools and colleges. He opined that administrative training should not be confined to engineers. In fact, everyone, whether at home, school, business or in government undertaking, requires to develop an insight into the functioning of administrative systems.

The administrative training differs from situation to situation and also to the amount of training ~~service~~ required for different services.

It may also vary according to the position held by a trainee. Thus with each higher level of administration, the level of training will become more advanced.

Fayol also paid attention to the question of subject matter to be taught. In Fayol's time, there was no comprehensive theory of management which could be acceptable to all training organisations. Precisely for this reason, he presented his own theory to initiate the teaching of management.

In most of the English speaking countries there was a tendency to draw a distinction between management, as an activity confined to conducting industrial and commercial undertakings, and Public Administration as the art of conducting governmental activities. According to Fayol such a distinction ~~between~~ is false and misleading. His procedures are quite common, whether it is public enterprise or private enterprises.

Fayol subdivided the operation of an industrial undertaking into six independent activities viz. ~~Planning~~

1. Technical activities; including production, manufacturing and adaptation.
2. Commercial activities (buying, selling, etc.) Knowledge of commercial activity is as important as knowledge of efficient production. Commercial activities include not only perception and decision but also a thorough knowledge of the Market and of the strengths of the competitors, longterm foresight, the use of contracts and price regulation.
3. Financial activities (Provision of Capital & its optimum use) - Capital is a prerequisite for personnel, plant, raw material, expansion of plant and machinery, etc. Proper financial management is necessary to obtain capital, to make optimum use of available funds for the success of the undertaking.
4. Security activities & Protection of property and persons): It is necessary to safeguard the property and persons against theft, fire and flood and all social disturbances including strikes.

5. Accounting activities (stock taking, balance sheets, costs statistics) An efficient accounting system, providing an accurate idea of the organisation's financial condition, is a powerful managerial instrument. But accounting is different from that of a ~~non~~ financial activities.

6. Managerial activities (Planning, organisation, command, coordination and control): Fayol describes management as a function, a kind of activities which is essential in building up an organisation. He is not sure whether those exercising this activity are described as 'Managing Directors' or 'Supervisors' or clerks. He is concerned with the function, not with the status of those who exercise it.

Fayol highlighted the point that ~~these~~ all undertakings engaged in performing management functions require five basic managerial functions elements viz.,

1. Planning :- Planning is the first and basic element of management. The manager must