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100 years of Henri Fayol**

It is the 100th anniversary of the publication by French mining engineer and management author Henri Fayol (1841–1925) of his essential text Administration Industrielle et Générale. The text, published first in 1916 in a professional journal and one year later as book, became one of the most important contributions to the development of modern management theory. Because of the book, Fayol is widely acknowledged as a founder of modern management. The aim of the paper is to mark the 100th anniversary of Henri Fayol's publication of Administration Industrielle et Générale and, by extension, to answer the question whether Henri Fayol's contributions and thoughts are still relevant in contemporary management theory.

Key words: **General management, Henri Fayol, History of management** (JEL: L15, L64)

Introduction

The year 2016 was the 100th anniversary of the seminal publication by French mining engineer and management theoretician Henri Fayol (1841–1925), *Administration Industrielle et Générale.* The text appeared in a professional journal in 1916 and was published as a book the following year (Fayol, 1917). The text was translated into English for the first time in 1930 with the title *General and industrial administration*, while the version that became most famous was published in 1949 with the title *General and Industrial Management* (Fayol, 1949). This edition became one of the most quoted contributions to modern management theory. Because of this text, Fayol is widely acknowledged as a founder of modern management theory.

The aim of this paper is to mark the 100th anniversary of Henri Fayol's publication *Administration Industrielle et Générale,* and, by extension, to take this as an opportunity to consider whether Henri Fayol's contributions and ideas remain relevant in contemporary management. Following his overall aim, the paper is divided into two sections. The first part of the paper is a review of the key points in Fayol's classic text. In the second part, I discuss what impact Fayol's theory has had on the development of management theory in a historical perspective and on current management. This will not be a systematic and chronological review, but a presentation of a number of points of impact.

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Administration Industrielle et Générale has achieved a central position in management theory through its definition of management, its 14 general principles of modern management, and its enumeration of managerial functions, which have been important contributions to the constitution of management theory. Especially with the publication in 1949 of the English version entitled *General and Industrial Management,* Fayol's thoughts have achieved international attention. Key works in management theory refer explicitly to Fayol's principles and identification of managerial tasks (e.g. Drucker, 1955; Peters & Waterman, 1982), and many books written for management educations refer to Fayol's contribution as a cornerstone, at least from a historical point of view (e.g. Jones, George & Hill, 2001; Wren & Bedeian, 2009). But was his contribution decisive for the development of management theory? Another question concerns Fayol's influence on contemporary management: Are we "just" celebrating the 100th anniversary of the publication of *Administration Industrielle et Générale* because Fayol's text was one of the first to put management on the academic agenda, while, seen from a contemporary perspective, the text has little or no value for the development of management theory?

Henri Fayol

Henri Fayol was born in Istanbul, Turkey, on 29 July 1841. His father held a position there as superintendent of the construction of the Galata bridge, spanning the Golden Horn of Istanbul. The family returned to France in 1847, while Henri was still a child. In 1860, aged just 19, Fayol graduated as a mining engineer from the *École Nationale Supérieure des Mines* in Saint-Étienne. Immediately after graduating, Fayol was hired by the mining company *Compagnie de Commentry-Fourchambault-Decazevill*. This became his workplace throughout his career. He rose through the organization's managerial hierarchy, ultimately becoming managing director, and thus the head of the organization, in 1988 (Crainer, 2003; Wren & Bedeian, 2009). He remained in this position until his retirement in 1918. During his time as top manager, he steered the company through a number of major crises and successfully oversaw development which brought the company into the modern age.

After retiring, Fayol took up the directorship of the Centre of Administrative Studies (CAS) in Paris, a venue for debates on management and administration within both the private and public sectors. Fayol also became a key figure in international management research (Urwick, 1949; Wren & Bedeian, 2009).

Throughout his career, Fayol published numerous articles on a range of very diverse subjects such as mining, geology, and health and safety issues in mining. However, his main claim to fame was his contribution to management theory – remarkably, for a Frenchman, achieving a key position in an academic field dominated by Anglo-Saxons. Fayol also published a number of other articles on management and administration, especially during his period as director of CAS, but none of these achieved anything like the seminal influence of *General and Industrial Management.*

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Incidentally, only a few of these other publications have ever been translated into English.

General and Industrial Management

The text of *General and Industrial Management* is divided into two sections. In the first part, Fayol defines modern, or as he terms it 'administrative', management. Fayol's theoretical point of departure is that organizational activities may be divided into six categories (Fayol, 1949, p. 3):

1. Technical activities (production, manufacturing, 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, statistics)
6. Managerial activities (planning, organization, command, co-ordination, control).

Based on this division, Fayol summarizes the task of management as:

> "... to forecast and plan, to organize, to command, to co-ordinate and to control. To foresee and provide means examining the future and drawing up the plan of action. To organize means building up the dual structure, material and human, of the undertaking. To command means maintaining activity among the personnel. To co-ordinate means binding together, unifying and harmonizing all activity and effort. To control means seeing that everything occurs in conformity with established rule and expressed command." (Fayol, 1949, p. 6)

Using this definition, Fayol divides management into five subsidiary functions:

Planning is about determining and dimensioning the future activities of the organization. Fayol defines planning in the following terms:

> "The plan of action facilitates the utilization of the firm's resources and the choice of best methods to use for attaining the objective." (Fayol, 1949, p. 50)

It is the management's responsibility to ensure that the organization is guided by a plan of action that takes into account the present situation and proposes ways of meeting future challenges. The planning is based on 1) the firm's resources (buildings, technology, employees, production capacity, capital, markets, etc.); 2) the firm's surroundings and the external conditions to which it is subject; and 3) future demands and needs emerging from technological advances, changing markets, political and financial events, etc. Most of these conditions are subject to a process of continuous change, which is more or less unpredictable. As a result, planning cannot be reduced to technical projections but presupposes an ability to analyse and evaluate current conditions and future trends.

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Planning is a management activity which is essential in all firms and at all levels. But in terms of scope and character, the task will change according to its position in the hierarchical structure. For the top management, planning will predominantly be of a strategic nature. For superiors at the bottom of the hierarchy, planning will focus on operational activities, resulting in a shorter time frame, tasks being more clearly defined in terms of objectives, purpose and resources, and without the moments of uncertainty characterizing strategic planning.

Organizing is a matter of procuring the primary preconditions for the work in terms of materials, knowledge, financial resources and human resources. Whereas planning is a forward-looking, potentially strategic process, the aim of organizing is to establish a flow within the activities of the organization. Organizing of the work is carried out (Fayol, 1949, pp. 53–54) by:

1. Ensuring that the plan is judiciously prepared and strictly carried out.
2. Making sure that the human and material organization is consistent with the objective, resources and requirements of the concern.
3. Setting up a single, competent energetic guiding authority.
4. Harmonizing activities and co-ordinating efforts.
5. Formulating clear, distinct, precise decisions.
6. Arranging for efficient selection – each department must be headed by a competent, energetic man; each employee must be in the place where he can render the greatest service.
7. Defining duties clearly.
8. Encouraging a liking for initiative and responsibility.
9. Having fair and suitable recompense for services rendered.
10. Making use of sanctions against faults and errors.
11. Seeing to the maintenance of discipline.
12. Ensuring that individual interests are subordinated to the general interest.
13. Paying special attention to unity of command.
14. Supervising both material and human order.
15. Having everything under control.
16. Fighting against an excess of regulations, red tape and paper control.

In general, Fayol distinguishes between organization of material resources and organization of human resources. The two forms of organization pose different demands, but are seen by Fayol as equally important.

Giving orders is the manager's tool to control the employees and the work process. The extent to which orders are obeyed depends on 1) the authority bestowed on the

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manager, and 2) the degree of responsibility demonstrated by the employees with respect to the manager's orders and the tasks in general. To Fayol, authority is something unequivocally bestowed on the manager, since *"Authority is the right to give orders and the power to exact obedience"* (Fayol, 1949, p. 21). Obedience is equated with responsibility, which again springs from the employee's possession of the required and requisite discipline. But this presupposes that the manager is competent and observes the rules and agreements that apply to the labour market in general and to the specific workplace.

In view of the wide-ranging powers presupposed and granted to the manager by Fayol, the manager is required to accept and observe high moral and ethical standards in his activities and to observe existing rules. This is also reflected in the points listed by Fayol as preconditions for his orders having the maximum impact, meaning the ability to maintain discipline among the employees. The manager must (Fayol, 1949, pp. 97–98):

1. Have a thorough knowledge of his personnel.
2. Eliminate the incompetent.
3. Be well versed in the agreements binding the business and its employees.
4. Set a good example.
5. Conduct periodic audits of the organization and use summarized charts to further this.
6. Bring together his chief assistants by means of conferences, at which unity of direction and focusing of effort is provided for.
7. Not become engrossed in detail.
8. Aim at making unity, energy, initiative and loyalty prevail among the personnel.

Co-ordination, according to Fayol, is the task of harmonizing all the organization's activities in such a way that working procedures are made easier while pointing towards the organization's goals. A well-co-ordinated organization is characterized by the following (Fayol, 1949, p. 104):

Each department works in harmony with the others.

In each department, divisions and sub-divisions are precisely informed as to their share of the communal task and the reciprocal aid they are to afford one another.

The working schedule of the various departments and sub-divisions thereof are constantly attuned to circumstances.

Co-ordination, in other words, is about adjusting activities to the surroundings, the other parts of the organization as well as external relations. While the task of orga-

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nizing the work is inward-looking in the organization, co-ordination, according to Fayol, revolves around the organization's surrounding world.

Control is about checking and ensuring that plans and decisions are carried out appropriately and based on the management's intentions. Control is exercised with respect to all types of activities (Fayol, 1949, pp. 107ff.):

1. Control of staff for the purposes of checking that staffing plans correspond to overall plans and those human resources are employed in the best possible way.
2. Control of business activities, i.e. control of input and output, in qualitative as well as quantitative terms, financial control of prices and contribution margins, and checking that orders are complied with correctly and as agreed.
3. Control of production, control of use of resources (materials, real capital and human resources), and observance of technical specifications.
4. Control of use of financial resources, including continuous monitoring of consumption and access to financial resources and of the organization's current liquidity and financial position.
5. Control of the firm's market conditions and internal security and integrity. The first part is about monitoring of the market and evaluation of your own position. As for the second point, the firm's internal security and integrity concerns such things as surveillance to counter industrial espionage or attempts at hostile takeover. Also, less dramatically, it may be about the firm making sure not to infringe patented rights or competition clauses. Finally, there is the matter of control of the external as well as the internal environment.
6. To ensure that ongoing control is possible in the first place, documentation should be provided that quickly, precisely and reliably gives a picture of the firm's position within the areas subject to control, such as key financial figures, employee statistics, sales figures, production results, market analyses, contributing margin analyses, etc.

For Fayol, exercise of control is a managerial task. But at the same time it is a function that frequently, and advantageously, may be delegated to employees at operational level through job categories such as 'controller' or 'inspector'. In many cases, exercising control will be a matter of fairly routine activities, although it presupposes thorough knowledge of the area being controlled. Accordingly, in a number of situations, it would be more relevant to use competent specialists for the job rather than leave it to the controller or inspector in question.

An important point in the first part of the book is indicated directly in the title of Part I: *Necessity and possibility of teaching management.* Fayol was one of the first to

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argue that management is a profession and that the skills of management are assimilated through training and education.

The second part of the book bears the title *Principles and elements of management.* In this part, Fayol lists a total of 14 elements that he considers crucial to good management. Whereas the first part of the book is relatively systematically structured, the second part is of a more discursive nature. The 14 principles are as follows (Fayol, 1949, pp. 19ff.):

Division of work is the horizontal and vertical division of work. Work is divided horizontally by splitting the organization's activities into sub-functions with attendant specialization, whereas the vertical division of work is the distribution of authority to carry out tasks related to direction and control. For this point, Fayol's position is that division of work in the modern organization is becoming more widespread, which again leads to increasing needs for co-ordination and, with that, increasing needs for management.

Authority and Responsibility, where authority is the right to give orders and the power and position that lays claim to the employees' obedience. With authority come both the right to carry out sanctions and a demand that the role is performed competently and justly. Fayol distinguishes between two forms of authority: official authority, as it is framed by the formal role of manager, and informal authority, which springs from personality, intelligence, experience, moral standing, etc. A 'good' manager possesses both types of authority.

Discipline is obedience, respect and observance of agreements and rules. Discipline is a prerequisite for a well-functioning organization. Exercising discipline is a mutual requirement. The employees must demonstrate the required level of discipline to their manager, and managers must return this by being just in their actions and showing respect for the employees. Fayol (1949, p. 24) concludes that discipline is achieved by having:

- Good superiors at all levels.
- Agreements as clear and fair as possible.
- Sanctions (penalties) judiciously applied.

I will not hesitate to call **Unity of command** the pivotal principle of Fayol's theory: each employee – regardless of which level of the organization he belongs to – has one and only one superior:

> "For any action whatsoever, an employee should receive orders from one superior only." (Fayol, 1949, p. 24).

Violation of this principle would lead to chaos, because:

> "Should it be violated, authority is undermined, discipline is in jeopardy, order disturbed and stability threatened. This rule seems fundamental to me and so I have given it the rank of principle." (Fayol, 1949, p. 24)

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The very fact that each employee only has one superior is seen by Fayol as the prerequisite for vision and vigour within any organization. Having more than one superior will lead to confusion and will give the employees obvious possibilities for playing managers off against each other. Naturally, 'unity of command' does not imply that the immediate superior will take all decisions but that all decisions will pass through the immediate superior.

Unity of Direction is the principle of "one head and one plan for a group of activities having the same objective" (Fayol, 1949, p. 25). Whereas 'unity of command' refers to the individual employee only having one superior, 'unity of direction' emphasizes that, through the division of work, a number of departments/sections with clearly defined tasks are crystallized out, and for each of these there should be only one superior. Metaphorically, to stress this point, Fayol mentions that a body with two heads is a monster that is not likely to have great chances of survival.

Subordination of Individual Interest to General Interest is simply about the facts that for any organization to reach an effective size, individual interests have to be set aside in favour of the goals and interests of the community. Obviously, this only applies if individual concerns are likely to weaken the organization's ability to act and achieve its targets!

Remuneration of Personnel is specified by Fayol as being based on just and objective criteria, and he sees remuneration as a tool for motivating the employees to greater or more goal-oriented efforts. In presenting this point, Fayol reviews a number of remuneration systems with respect to different categories relating to contemporary employees.

Centralization is about co-ordination – in other words, about how to create unity within a section or department through ever more comprehensive work-sharing arrangements. Here Fayol's point is that co-ordination at management level must be concentrated. Fayol sees this concentration as something self-evident, like the laws of nature. The discussion is about how to handle such centralization and what demands its successful design may place on the organization's managers. In a small organization, centralization is a concentration of authority and information in one or just a few people, while the hierarchy is the guiding principle for a large organization.

Scalar Chain refers to chains of command, referring to the preceding point: the hierarchy. Hierarchy represents the most appropriate framework for effective co-ordination and the structure to ensure unity of command. Fayol has already consolidated this in some of the previous points. The reason why it resurfaces as an independent principle is to discuss how an organization eliminates the dysfunctions of hierarchy, such as inertia and the fact that important information may get lost in decision-making processes. Here Fayol concludes that it is legitimate for decision-mak-

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ing processes, collaboration and communication to cut across the horizontal and vertical boundaries of the hierarchy.

Order is a thoroughly common-sensical idea that superiors must go about their business in an orderly way! For instance, Fayol mentions a superior in whose workshop there were stacks of metal blocks of different sizes. A superior is required to prevent such disorder. Secondly, Fayol also views 'order' as the ability to get maximum value from the employees. His term for this is 'social order', providing an approach which – with all due respect – is more substantial for discussions about management. It refers directly to the order that follows from the superior's ability to place the right man in the right position. As quoted, this means that:

> "Thus understood, social order presupposes the successful execution of the two most difficult managerial activities: good organization and good selection." (Fayol, 1949, p. 37)

Equity. Fayol makes an explicit distinction between equity and justice. Fayol supports general rules and regulation according to legal principles. However, at the same time, he is not convinced that all matters may be made subject to rules. Therefore, he finds that the well-being and loyalty of employees depends on the extent to which they feel equal and fairly treated.

Stability of tenure of personnel. It is not in itself enough for the manager to find the right man for the right job. To complete tis tasks, he must be introduced to the job and have acquired a certain degree of experience and routine. For that reason, Fayol warns against short-term tenure. He actually goes as far as to say:

> "Hence it has often been recorded that a mediocre manager who stays is infinitely preferable to outstanding managers who merely come and go." (Fayol, 1949, p. 39)

For Fayol, stability and endurance are qualities to be valued alongside professional competence.

Initiative is quite simply about the manager releasing energy in him-self and among his employees. The successful manager is someone who is capable of imagining, suggesting and planning an idea – and then carrying it into effect! With this point, Fayol is signalling that it would be appropriate, too, to delegate certain managerial tasks down into the organization to supervisors at a lower level and to employees.

Esprit de Corps or, in other words, 'team spirit'. The manager is responsible for keeping the employees together and ensuring that they form a community in which everyone pulls in the same direction. For this point, Fayol lists a number of good suggestions and warnings that the manager should heed and take into consideration.

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What is the Contribution of Fayol?

General and Industrial Management is based on the ideas of modern society and Henri Fayol's own successful experience as a manager. A number of contributions argue that Fayol's book is based on a systematic approach to management (Carter, 1986; Parker & Ritson, 2005 a; Parker & Ritson, 2011; Wren & Bedeian, 2009), with Lee Parker and Philip Ritson (2005 a) going as far in their characterization of the text as to declare that Fayol's approach is directly comparable to data collection based on Grounded Theory. In my opinion, this is going too far.

There is no doubt about it: Fayol's publication is not a scientific work seen from a current perspective, but a normative publication based on Fayol's own experience from a long and successful working life. It is not a matter of a text based on data collection living up to current scientific methods, and the recommendations of the book appear to be perceived as common sense. The form and linguistic structure of *General and Industrial Management* are in many ways similar to Frederick W. Taylor's famous texts about Scientific Management (see Taylor, 1911 a, 1911 b). It is a presentation of the author's own recommendations and thoughts. But whereas Taylor's books are to a large extent based on cases, the examples to support Fayol's argumentation are selected at random.

The book became a classic contribution because it was one of the first to present a systematic approach to management. Fayol's division of management into five functional tasks and his 14 principles constitute a kind of theoretical framework for examining and understanding modern management. It is an approach that has been used by management researchers such as Lyndall Urwick (1891–1983), Luther Gulick (1892–1993) and Edward Brech (1909–2006). But, unlike Fayol, those researchers based their contributions on empirical data. So Fayol's central position in modern management literature is also because of those researchers' use of *General and Industrial Management*.

Henri Fayol's Importance to Management Theory

The historical significance of *Administration Industrielle et Générale,* or in English *General and Industrial Management,* is beyond dispute. Many earlier (e.g. Urwick, 1949; Drucker, 1955) and more recent management theoreticians (e.g. Mintzberg, 1973; Peters & Waterman, 1982; Robbins & Coulter, 2012) highlight this contribution by Henri Fayol as a cornerstone of modern managerial theory. But is this because those authors use Fayol's functional tasks and 14 principles to develop new managerial theory, or is it only a respectful celebration of *Administration Industrielle et Générale* as one of the first written contributions to modern management theory? This is the issue for the second part of this paper, explored through a consideration of four selected themes.

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Is It a Theory of Management or Is It a Theory of Administration?

There is recurring discussion as to whether Fayol's theory is concerned with management or constitutes a theory of administration (Breeze & Miner, 1980; Wren & Bedeian, 2009; Urwick, 1944). The French title of Fayol's text *Administration Industrielle et Générale* includes the word 'administration', which, since the second English-language edition, has been translated as 'management'. Particularly in Fayol's own opinion, his purpose was assumed to be a broad theory of administration and not narrowly concerned with management. Reference can also be made to the discussions and pamphlets published by CAS – Centre for Administrative Studies – concerned with subjects that may be labelled both administration (e.g. public policy) and management (see Fayol, 1949, pp. xvii–xx). The general conclusion of this discussion is that Fayol's theory is a general theory of 'management', a point also made by Lyndall Urwick in his preface to the English edition of Fayol's book in 1949. He deplored the fact that the French word 'administration' had been translated as 'management' (Urwick, 1949, p. xii), however, these misgiving are likely to have been due to Urwick's ambition to develop, with his contemporary colleague Luther Gulick, a general theory of 'administration' (Wren & Bedeian, 2009). To anyone who has read the 135 pages of *General and Industrial Management*, or merely the presentation of the book's key contributions given in this paper, the argument that the translation was inappropriate appears somewhat laboured. It is a contribution predominantly concerned with employees responsible for co-ordination and control of work processes and human resources in organizations – in fact: management.

Fayol, Taylor, and Scientific Management

In the years around the publication of Fayol's book, the dominant direction in management research was Scientific Management. It was therefore obvious that Fayol participated and was a well-known figure in international circles which discussed Scientific Management theory (e.g. the Taylor Society). For that reason, Fayol is often compared with, or ranked alongside, the American engineer Frederick W. Taylor, the founder of Scientific Management (Berdayes, 2002, Crainer, 2003; Heorhiadi, Conbera & Hazelbaker, 2014, Merkle, 1980). In certain contexts, Henri Fayol is mentioned as a kind of European Taylor of somewhat lesser importance to management theory (Crainer, 2003; Heorhiadi et al., 2014). Others dismiss such a comparison for a number of reasons (Brunsson, 2008, Parker & Ritson, 2005 a; 2005 b), a view I tend to embrace. Henri Fayol was well aware of Taylor's work, as he demonstrates in *General and Industrial Management,* in which he compares his own contribution to Taylor's idea of Scientific Management (Fayol, 1949, pp. 66–70). In one of the book's sections, entitled *The Taylor System*, Fayol expresses his recognition of Taylor, whom he mentions respectfully: *"We may hope that the example of the great American Engineer may be followed in this respect by many of our own*

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fellow countrymen" (Fayol, 1949, p. 70), with direct reference to Taylor's great effort to create more efficient industrial organization of work. But the key point in the section dealing with Taylor's work is his criticism of the managerial term 'functional management', which is considerably different from the most important of Fayol's 14 principles: unity of command.

With the introduction of functional management, Frederick W. Taylor's concept (Taylor, 1911 a) is clearly different from Fayol's cornerstone of administrative management: that the same superior performs all management functions vis-à-vis the individual employee and, conversely, that the individual employee only reports to one superior. With functional management, Taylor introduces a model in which employees report to several superiors, each representing a specific sub-function.

Taylor's argument in favour of functional management as an element of Scientific Management is an increasing need for management from an overall perspective. This is first and foremost a consequence of the separation of the actual execution of the work from its co-ordination. Another reason is that increasing systematization and standardization of work functions generates a number of new tasks associated with the co-ordination of work. In *General and Industrial Management,* Fayol criticizes Taylor's principle of functional management. In his opinion, this model of management will lead to uncertainty in the organization and will result in evasion strategies among the employees. He acknowledges Taylor's point that increasing complexity constitutes a challenge which far from all managers are able to comply with. Because of new and tougher demands on managers in the modern industrial sector, managers do not possess sufficient knowledge. However, Fayol's answer is not that the employees should have more than one supervisor or foreman, but for the managers to become better qualified and for the management to employee staff specialists to relieve the pressure and help out shop foremen and other co-ordinators (Fayol, 1949, p. 68).

It is probable that this criticism of functional management was already accepted by Taylor him-self some years before Fayol. Functional management had a central position in Taylor's *Shop Management* (1911 a) first published in 1903, but significant diminished in his later and most famous book *The Principles of Scientific Management* from 1911 (Taylor, 1911 b). This leads me to the thesis that Henri Fayol had a greater influence on the managerial role in Scientific Management and the development of Taylor's original theory than Taylor had on Fayol's contribution to management – the reason being that Scientific Management, in the form it was communicated and implemented in industrial production, rejected Taylor's original system based on functional management in favour of Fayol's system of administrative management based on his 14 principles and especially the principle of 'unity of command' (Dixon, 2003; Parker & Ritson, 2011; Urwick & Brech, 1954; Gillespie, 1937).

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Another theme in the discussion on convergence and differences between Taylor and Fayol is that Fayol demonstrates a more pragmatic approach to management, especially as regards the manager's relations with his employees. In his contributions, Taylor is very much concerned with establishing and optimizing the organization of work, and he does not pay much attention to the thoughts and reactions of individuals. Taylor argues that the labour force should have a share of the added value created due to the application of Scientific Management principles, and the pace of work must never become so exaggerated that it results in negative consequences for the health and well-being of the employees (Taylor, 1911 b). But if these criteria have been fulfilled, the employees will readily be regarded as part of the mechanical organization of work. On this point, Henri Fayol is much more nuanced. In several of his 14 principles, Fayol indicates that the manager must also focus on the employees as individuals and must recognize that the manager has a responsibility, cf. the 12th principle, *stability of tenure of personnel*, to ensure the right man in the right place.

Fayol's Influence on Management Theory in the Organic Organizational Paradigm

This different and more holistic view of human labour has inspired a number of contributors to argue that Fayol's contribution was ahead of its time and actually created schools such as transformational leadership (Spatig, 2009), human relations (Parker & Ritson, 2005 a) and organic organizational theory (Parker & Ritson, 2005 a). This was long before any of these schools became mainstream within management and organizational theory; the switch from mechanical to organic organization, for instance, is ascribed to Burns & Stalker, whose book *Management of Innovations* first appeared in 1961 (Burns & Stalker, 1961). In my view, Henri Fayol also had a more pragmatic approach to management than what we see in Frederick Taylor's writing, but at the same time I find that, in terms of management and organization theory, Fayol navigates within the mechanical paradigm that dominated his time. It is not only with respect to the evolution of Scientific Management that Fayol's contribution was significant. Even if it would be going too far to claim that the management theory of the 1950 s is already evident in Fayol, his ideas were not insignificant. After his work became well known in the Anglo-Saxon world, especially with the second translation into English in 1949 with a foreword by Lyndall Urwick, his perspectives were incorporated into and discussed in several English and American contributions to management theory. An article by Parker and Ritson merely lists a number of contributions relating to Fayol based on the three principal elements of *General and Industrial Management* (Parker & Ritson, 2005 b, p. 1348):

- His categorization of all organizational activities as technical, commercial, financial, security, accounting or management (George, 1972; Wren, 1972; Pugh, Hickson, Hinings, 1981; Robbins, Bergman, Stagg, & Coulter, 2000);

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- His identification of five key managerial functions: prevoyance (forecasting and planning), organizing, co-ordination, command, and control (George, 1972; Cole, 1984; Robbins et al., 2000);
- His advocacy of 14 principles of management; division of labour; authority; discipline; unity of command; unity of direction; subordination of the individual to the common good; remuneration; centralization; the scalar chain; order; equity; stability; initiative; and esprit de corps (Rue & Byars, 1983; Clutterbuck & Crainer, 1990; Robbins et al., 2000).

A relevant question could be why authors like Henry Mintzberg, Peter Drucker, Peters and Waterman, etc., etc. quote Henri Fayol? The answer could be because of the historical significance of Fayol's work, rather than his analytical categories. It is immediately clear that there is a long distance, in both content and argumentation, between Fayol's approach to management research and the significant contributions in management after 1950. Where there is a coincidence of arguments between Fayol and later contributions in management theory, this is because the commonsense considerations that Fayol presented are still relevant to leadership in practice.

Management Research Beyond Fayol

From around 1980 onwards, 'management' has experienced a paradigm shift emphasizing a new form of professionalization of management (e.g. Birkinshaw, 2012; Brunsson, 2008; Hales, 2005; Hood, 1991; Prahalad & Hammel, 1994; Quinn, 1992). Management or leadership becomes an independent profession which is different from the professions of the employees, and, likewise, the tasks associated with management and the ideal ways in which it is exercised change. Management becomes an indirect activity and the manager becomes responsible for creating the framework, setting the course and explaining vision and direction to the employees of the organization. And the manager's tasks become concerned with strategic management and change management. On the other hand, it is stressed that activities involving organization of day-to-day operations and vocational supervision are delegated from being carried out at managerial level to being undertaken by employees; paving the way for this is the use of such terms as team organization, self-management and empowerment (Kelly & Allison, 1999; Kinlaw, 1995; Osborn & Brown, 2005; Seers, Keller & Wilkerson, 2003). Likewise, Human Resource Management, as a result of this change of paradigm, is accorded far greater importance and is linked directly to the organization's strategic and business-oriented objectives (Berman, Bowman, West & Van Wart, 2013; Bratton & Gold, 2012; Storey, 1992). Evolution towards professionalization of management is general but becomes especially significant within public management with the introduction of New Public Management (e.g. Ferlie, Ashburner, Fitzgerald & Pettigrew, 1996; Gruening, 2001; Hood, 1991; Steward & Walsh, 1992). These are all trends pointing to a development that differs from Fayol's principles of administrative management, where

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the manager is directly involved. Instead, management is turned into a symbol-generating activity, and the manager's task is to motivate and contextualize the independent contributions of the employees to the organization and the co-ordination of their activities as well as those of their colleagues.

Another aspect that differentiates modern management from Fayol is theory in leadership which emphasizes employees' participation and autonomy. One of the first such opposites is encountered in management theory even earlier than the 1980 s, e.g. Douglas McGregor's Theory X and Theory Y (McGregor, 1960) and Kurt Lewin's distinction between laissez-faire management, democratic management and authoritarian management, with particular emphasis on differences between democratic and authoritarian management, and clearly biased in favour of the democratic management ideal (Lewin, Lippit & White, 1939). Laissez-faire is rejected completely on the grounds of absence of leadership. However, the normative element of management theory, offering contrasting views of management, becomes clearer from the 1980 s by insisting that modern management presupposes leadership (e.g. Weathersby, 1999) and that decentralization, team organization and self-management must replace the manager's direct involvement (e.g. Cordery, 2005; Kelly & Allison, 1999; Sørensen & Triantafillou, 2010). There is a dominant tendency in management theory since 1980 and onwards, as employing the concept of paradigms differs from the principles Fayol launched in 1916.

Too Much Leadership, Too Little Management?

For this discussion, however, contributions have appeared in support of simultaneous reliance on both views of management. The key message of a *Harvard Business Review* article by Michael Beer and Nitin Nohria (2000) is that, if companies are to change successfully, they must practice simultaneous use of two types of design, termed Strategy E and Strategy O respectively. Strategy E is linked with the notion of "shareholder value", a "hard" school that may be associated with "management", while Strategy O relates to endeavours to create a corporate culture that supports the organization's goals, an approach that is more in tune with "leadership", Theory Y and suchlike. The article is based on three cases: one focusing on Strategy E in isolation, one relying exclusively on Strategy O, and one case of managers who combine the two. The writers argue that the two distinct positions should be complementary. The article concludes that:

> "To thrive and adapt in the new economy, companies must simultaneously build up their corporate cultures and enhance shareholder value; the O end E theories of business change must be in perfect step." (Beer & Nohria, 2000, p. 140)

Gary Yukl, in his international best-seller *Leaderships in Organizations* (Yukl, 2013) takes a similar view. Yukl points out that leadership is the optimal approach to modern organizations while recognizing that leadership cannot stand alone. Leadership will not work unless supported by a simultaneous and co-ordinated element of

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"management" (Yukl, 2013, pp. 22–23). By contrast, there are recent contributions to management theory which place greater emphasis on the element of 'management' and on 'leadership' and similar innovations (Schimmoeller, 2012), and such contributions indicate that the perspective on management offered by Fayol 100 years ago remains relevant to management in practice.

Another trend in current discussions of management is the consequences of the transfer to employees of a number of tasks and responsibilities previously entrusted to superiors – not necessarily in the form of self-management or delegated to autonomous teams. Instead, managerial responsibility is entrusted to specific employees without offering them formal recognition as superiors (Hales, 2005; Lind & Voxted, 2012). This trend is illustrated in a Danish survey showing that 70 per cent of those referring to themselves as managers have not been formally appointed and have no staff responsibilities (Lind & Voxted, 2012). Instead they may have such titles as 'co-ordinator', 'project manager', or 'quality assessment manager'. But they have been appointed to the position as co-ordinator etc. and they are hired to carry out managerial tasks but without the title of 'manager'. The question is whether this is an appropriate development. There are contributions pointing out that, especially for frontline managers, it is crucial that the tasks associated with professional supervision and operational co-ordination are the responsibility of formally appointed superiors (Fitzgerald, Ferlie, Addicott, Baeza, Buchanan, & McGivern, 2007; Hales, 2005; Llewellyn, 2001; Noordegraaf, 2007). In summing up, the development towards professional management, with its indirect approach to the employees and the appearance of self-management and empowerment, has led to a few blind spots. In this development, key contributions have either completely overlooked or energetically played down the fact that managers in charge of organization and co-ordination on a day-to-day basis are still required, and that management also involves administrative tasks in order to get the working day to function satisfactorily. This is one of the most significant points of view in Fayol's classic contribution.

Happy Anniversary!

Fayol's text from 1916 achieved great importance in the decades that followed. And when important later management writers refer to Fayol, this is probably because he was one of the first who presented a modern, systematic approach to investigating management. Not because his contribution was relevant to understanding management and managerial challenges after the Second World War, and not because he presented scientifically based methods for management research. Fayol's publication mostly contains common-sense recommendations that reflect his time and context. They have little or no relevance in the face of the challenges in current management. For that reason, there is not much inspiration for either practitioners or management researchers in *General and Industrial Management.* But there may be something to be learned from Fayol looking at management/leadership in a meta-per-

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spective. Current theory in leadership, based on concepts such as distributed leadership, transformational leadership, self-management and e-governance, tends to deny that leadership is also about division of labour, co-ordination of everyday activities and control. These are some of the aspects Fayol emphasizes in his book from 1916/1917.

Viewed in that light, Fayol's 100-year-old points still seem quite relevant. With these words: Happy Anniversary!

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