



Egyptian pyramids: impressive structures served as burial sites for pharaohs and kings



How would YOU best explain to a sceptical audience the practical benefits from the classroom study of organisational theory?

Critical Thinking Zone

Reflections on Fayol's Five Elements of Management



In this zone, we critically examine Fayol's Five Elements of Management and consider whether they are still pertinent to organisations over a century after they were first proposed.

Jules Henri Fayol has been described as 'the most distinguished figure which Europe contributed to the management movement'⁶¹ (p. 21). The French industrialist was widely acknowledged as the founding father of the administrative school of management, for catalysing the professionalisation of management and for providing a theoretical foundation upon which subsequent management theory and practice have been built.^{62–64} Fayol's contribution to classical organisation theory, and, arguably, continued influence on contemporary management theory and practice, was espoused during the Industrial Revolution, an era of factorisation and unprecedented societal, economic and environmental change that promulgated a steep rise in theorisation of how organisations should be managed.⁶⁵ Fayol's theories were developed through his extensive experience (his entire career⁶⁶) in a French mining company, including tenure as Chief Executive Officer, and undertaking roles such as Mining Engineer

and Researcher.⁶² His empirical investigations also engaged him in the extensive analysis of management tasks through observation, experiential learning on the job and personal insights,⁶⁷ many of which were compared to the work of Frederick Winslow Taylor, a fellow classical management theorist.⁶²

Key Managerial Activities

According to Holmblad Brunsson,⁶⁸ Fayol viewed the organisation from a top down perspective, as opposed to Taylor who took a bottom up approach⁶⁹ and believed that senior managers and boards were responsible for administering its entire business affairs.^{62, 70} He saw organisations as homogeneous entities and thus proffered that managerial work displays common traits or characteristics. Based on his notion of general management principles, Fayol proposed that an organisation's business operations comprised an amalgam of six major activities^{67, 62} (Pugh and Hickson⁶⁷, p. 97; Parker and Ritson⁶²). First, technical activities, incorporating manufacture, production and adaptation. Second, commercial activities, including buying, selling and exchange. Third, financial activities,

encompassing the search for, and optimal use of, capital. Fourth, security activities, such as the protection of people and property. Fifth, accounting activities, which includes stocktaking, costs, balance sheet and statistics. Finally, and importantly, managerial activities, namely planning, organising, commanding, coordinating and controlling. Based on his experience, Fayol espoused that most jobs, in varying degrees, contain all six managerial activities, but a shift in emphasis and significance occurs as managers climb the hierarchical ladder. He also noted that managerial activities increase while technical ones decrease. Fayol therefore concluded that the development and utilisation of managerial knowledge was an important prerequisite and criterion for administering the organisation's business affairs and thus advocated an on-going programme of management education to facilitate this.⁶²

History in the Making

Smith and Boynes⁶³ profess that Fayol's ideas, the foundation of which were his own extensive experiences, were developed for senior management, based on his top down approach. The espousal of his fourteen general principles of management birthed 'the first real definition of management as a distinct and important contribution to organisation effectiveness' (p. 1322). Thus, in 1916, Fayol concluded⁷¹ 'to manage is to forecast and plan, to organise, to command, to coordinate and to control'⁶⁷ (p. 96). George⁶⁹ (p. 114) argues that Fayol's definition, which is also known as the five elements of management, provided a 'complete and comprehensive theory of management which could be applied to all endeavours' and generalised to a wide variety of organisational and managerial contexts.⁷²

Is Fayol's Theory Applicable to Twenty-First Century Organisations?

Despite its espousal over a century ago, it could be argued that Fayol's five elements of management are still pertinent to twenty-first century organisations. A discussion of this argument now follows (Pugh and Hickson,⁶⁷ (p. 98); McLean⁷³ (p. 33); Rausch⁷⁴).

To Forecast and Plan (*Prévoyance* in French)

Fayol professed that forecasting involved analysing the future and formulating an appropriate plan of action.⁶⁷ Arguably, the global knowledge economy, along with ubiquitous change and hypercompetition, engages managers in activities such as forecasting,

appraising the micro environment and analysing the macro environment to aid strategic planning. Indeed, Mintzberg⁷⁵ acknowledged Fayol as one of the earliest proponents of planning.

To Organise

Fayol espoused that the organisation's structure was important to its survival, as it facilitated the optimal conduct of its business affairs.⁶⁷ Organising, in contemporary terms, requires managers to design and implement an appropriate infrastructure, which optimises the organisation's systems, services, processes, resources (human, material, financial) and procedures and enables the dissemination of knowledge and information in a timely manner.^{73,76}

To Command

Fayol, in his original writing, used 'command' to describe a manager's responsibility to lead individuals towards organisational goal and strategy achievement.⁶⁷ In contemporary parlance, 'command' may sound rather harsh and control-orientated, but Fayol's theory was espoused during the era of the classical school of management, where, it could be argued, top-down, directive management styles prevailed over more participative ones. Using a twenty-first century lens, Hill and McShane⁷⁷ supplant 'command' with 'leadership' to highlight the importance of directing, influencing and engaging individuals to buy into the achievement of the organisation's goals and objectives.⁷⁸ Furthermore, Fayol proffered that managers should develop an in-depth knowledge of their staff.⁶⁷ This could, arguably, be promoted through the development of a positive people-organisation relationship and relational psychological contract.^{79,80}

To Coordinate

Fayol advocated that managers should bind together, unify and harmonise all the organisation's activities.⁶⁷ This is relevant to contemporary management, especially since managers have a responsibility to ensure there is coordination, synergy and symbiosis between organisational processes and functions, including the input-conversion-output process.⁷³ Hill and McShane proffer that coordination works in synergy with organising.

To Control

Fayol acknowledged the importance of control in an organisational setting and posited that it makes sure

'everything occurs in conformity with established rules and expressed command'⁶⁷ (p. 100). Using less formal, contemporary parlance, as one of the most important managerial responsibilities, control involves deploying contextual leadership (e.g. transformational or transactional) to ensure plans, strategies, etc are achieved within allocated budgets, resources and timescales.⁷⁷ As metaphorical controllers, managers should ensure that contingency plans are in place to deal with system anomalies and deviations and avoid infrastructural and organisational disruption. It could be argued that Fayol placed 'control' as the fifth element of management to emphasise the underpinning and overarching support it gives to the previous four.

The discussion of the five elements, arguably, highlight their relevance to twenty-first century organisations. Fells⁸¹ (p. 347) concurs and attests that Fayol's model is 'relevant and appropriate to contemporary management. . . Fayol's five elements. . . are quite general and therefore may pass the test of time.' However relevant Fayol's work may be to contemporary management practice, it is not without its critics. Hatchuel and Segrestin⁶⁶ (p. 2) highlight criticisms that have been levelled towards the translation from French into English. They report 'Urwick (1949) . . . complained about the translation of administration as 'management', which would narrow the scope of Fayol's theory to the realm of industrial management.' Parker and Ritson⁶² (p. 178–179) state that Fayol is often portrayed as 'an inflexible and authoritarian generalist. . . ' who was described as a 'fellow traveller of the scientific management movement.' They claim that the only distinguishing feature between the two theorists is Fayol's extensive senior management experience, which 'led him to adapt a perspective that focused on managing the total organisation.'

An Indelible Impact on History

To conclude, it could be argued that Fayol's five elements of management are still pertinent to

organisations, over a century after they were first proposed. Of course, based on your own experiences, you may have a different view. Fells⁸¹ (p. 354) contends that 'Fayol's work is still very much alive and still relevant today.' Smith and Boyns⁶³ (p. 1320) also highlight the impact that Fayol's work has had on the management role 'not just for their originality but for their continuing influence on management thinking in the West to this day.' Mintzberg⁸² (p. 49) noted the influence of Fayol and stated, 'if you ask a manager what he does, he will tell you that he plans, organises, coordinates and controls.' It is evident that Fayol's five elements of management have made an indelible impact on history and the theorisation of management, from an empirical, conceptual and practical perspective. In recognition of Fayol's influence, Hales⁸³ (p. 3) concludes 'if all philosophy is a set of footnotes to Plato, management theory is, in large measure, a reply to Fayol's original memo.'

Questions

Based on the above, answer the following questions.

1. Fayol viewed organisations as homogeneous entities and thus espoused that managerial work displays common traits. Using reference to theory and practice, *to what extent* do you agree?
2. Fayol's theory has been described as generalisable across other contexts. Using an organisation of your choice, *apply* the five elements of management and *identify* the implications for organisational behaviour in the workplace.
3. It has been mooted that the only distinguishing feature between administrative theory and scientific management is Fayol's extensive senior management experience. *Discuss* this assertion, referring to appropriate theories.

Summary – Chapter 11 'Organisational theory and structure'

A central part of the study of organisational behaviour is the development of different thinking on structure and management, and what might be termed organisation theory. The work of leading writers can be categorised into various 'approaches' based on their views of organisations, their structure and management. The classical writers placed emphasis