

1. DIVISION OF WORK

- According to Fayol Principle 'Whole work should be divided into small tasks or unit and instead of assigning the whole work to one .
- Work should be allotted according to the capability, qualification and experience .
- Each employee should be trained in the job which he has to perform, this is called division of work.
- This helps in specialisation and results in increased output by making employees more efficient.
- Example:-If a person with degree of MBA finance is appointed as finance head, so daily dealing in the same subject will make him specialised and increase his experience. This will lead to effective and efficient result.

POSITIVE EFFECTS AND CONSEQUENCES

- POSITIVE EFFECTS-It will increase specialisation .
It will increase efficiency.
It will reduce workload of superiors.

ADVERSE EFFECTS - There will be no specialisation.

It will reduce efficiency of work.

Chance of duplication and confusion will be there.

2.

AUTHORITY AND RESPONSIBILITY

- Authority means power to take decision and right to give orders to the subordinates and Responsibility is the obligation to perform the given task within a specified period of time.
- According to the Fayol, there should be balance/parity between Authority and Responsibilities.
- Excess of authority without matching responsibility may bring negative results and misuse of power.
- Excess of responsibility without matching authority will not allow them to do their task in effective and efficient way.
- Example:-The production manager will only can achieve the target if he is provided with the job of producing the required product with given Authority of using different raw material according to the said standard.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS:-There will be no misuse of authority.

It will help to fulfil responsibility in time.

It will help in creating accountability.

ADVERSE EFFECTS:- Misuse of power due to excess authority.

Overburden with work due to more responsibilities.

Delay in work or in completion of work due to less authority.

3.

DISCIPLINE

- Discipline means obedience to rules and employment agreement which are necessary for working for the organisation.
- It is necessary for the smooth functioning of the organisation and must be apply to all individuals at all level.
- According to Fayol discipline requires:-
 1. Good superiors at all levels .
 2. Clear and fair agreements.
 3. Judicious application of penalties.

Discipline when applied it means the workers and management both honour their commitments without any prejudice towards one another.

POSITIVE EFFECTS AND CONSEQUENCE IF VIOLATED

POSITIVE EFFECTS- Smooth functioning of organisation is ensured.

Higher efficiency is achieved.

Cooperation of the employees is ensured,

ADVERSE EFFECT- Rules and regulation will be not followed.

There will be confusion, chaos because of indiscipline.

No cordial relation between workers and employers.

4. UNITY OF COMMAND

- According to Fayol there should be one and only one boss for every individual employee.
- Principles says that in any formal organisation one individual subordinate should receive order from only one superior for smooth functioning.
- If not followed Authority will be undermined, discipline will be in jeopardy(in danger),order will be disturbed, stability will be threatened and loyalty of worker will be denied.
- One subordinate will be not able to carry out order of two boss at the same time properly. Efficiency and effectiveness of both the work will decrease and subordinate will have to suffer along with organisation work.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS:- There will be no confusion in the mind of subordinates.

No ego will be clashes in the mind of superior.

Responsibility and accountability will be clear to all.

ADVERSE EFFECTS- There will be no confusion related to accountability and whose order to be obeyed first.

It is easy for subordinate to escape from responsibility.

No ego will clashes.

5.

UNITY OF DIRECTION

- According to Fayol 'One head one plan'. It means one unit should have common objective so can focus on one direction only.
- It means that efforts of all employees and all department must be directed towards one direction that is achievement of organisation goal/target.
- This principle leads to unity of action and better coordination.
- Duplication of efforts and confusion can be avoided by applying this principle.
- All the department of the organisation should move towards the same objectives through coordination and focussed efforts.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS –There will be unity of action and all activities would be directed towards the organisation.

There will be better coordination through out the organisation.

ADVERSE EFFECTS- There will be duplication of efforts and wastage of resources.

There will be lack of coordination leading to lower efficiency .

6. SUBORDINATION OF INDIVIDUAL INTEREST TO GENERAL INTEREST

- The interests of an organisation should take priority over the interest of any individual employees.
- Every worker has some individual interest for working in a company.
- The interest of the group/company will supersede the interest of individual.
- Large interest of stakeholders and workers are more important than the interest of any one person.
- Worker/employees want maximum wages/salaries whereas company wants more earning/profit. Their interests clash.
- Company's benefits are always more than employees' interest.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS-Coordination between management and workers.

Growth of organisation.

There will be allingment of organisational and individual goals.

ADVERSE EFFECTS- Both individual and organisation suffer from conflict of their goals.

Employees can suffer in long run.

7. REMUNERATION OF PERSONNEL

- Remuneration should be just, fair and equitable.
- Remuneration of work should be fair to both employees and employers.
- Employees should be paid fair wages, which should give at least a reasonable standard of living.
- At the same time it should be within the paying capacity of the company.
- If employees will leave company ,appointment of new employee will be a costly process due to recruitment, selection and training to new employee.
- Fair and just payment will create and maintain congenial(pleasant) atmosphere and good relations workers and management.
- It will give satisfaction to both employees/worker and employers.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

- **POSITIVE EFFECTS-** There will be higher commitment of personnel and employees will be highly motivated.
There will be pleasant atmosphere in the organisation.
Employees will be loyal towards its management.

- ADVERSE EFFECTS-** Dissatisfaction of employees.
Unhealthy relation between workers/employees and management.
High labour turnover ratio(it will be costly)

8.CENTRALISATION AND DECENTRALISATION

According to the Fayol a company must not be completely centralised or completely decentralised but their must be combination of both centralised and decentralised.

- **Centralisation means concentration of authority at the top level in the organisation and it involves top level only.**
- **Degree of centralisation will depend upon the circumstances in which the company is working..**
- **On the other hand Decentralisation means dispersal of authority to the lower levels in the organisation and it involves roles up to lower level.**

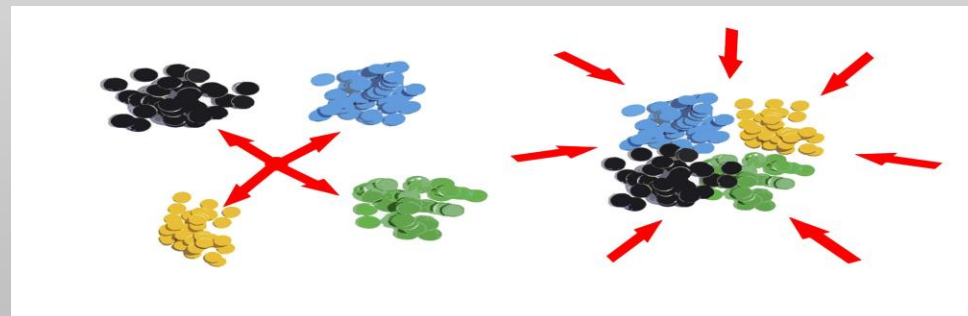
POSITIVE EFFECTS AND CONSEQUENCE IF VIOLATED

POSITIVE EFFECTS:- 1. There will be efficient control by the top level.

2. Quick decision will be taken at the operational level.

ADVERSE EFFECTS:- 1. Excessive centralisation will result in slow decision making and delay in action.

2. Excessive decentralisation will result in misuse of authority.



9. SCALAR CHAIN

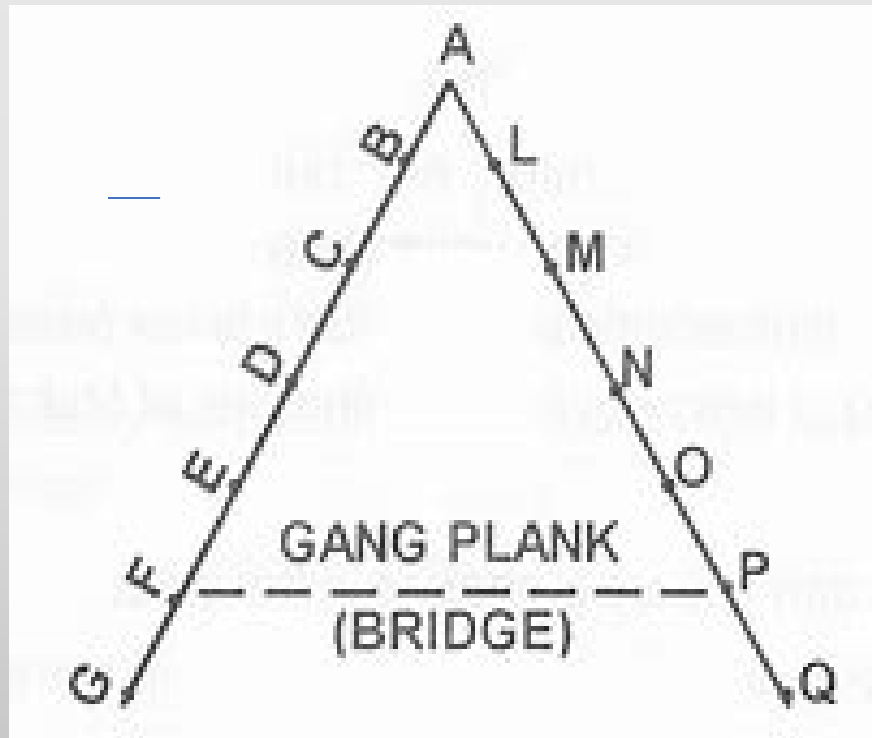
(The formal lines of authority from highest to lowest ranks are known as Scalar chain)

-According to the Fayol,"Organizations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and subordinates."

-It should not be violated except under acute emergencies.

In normal course of action chain of communication should not be break. In the case of emergency only, two employees of different departments allow to communicate for quick action.

In the given diagram of hierarchy 'A' is the main head who has two lines of authority under her/him. One line consists of B-C-D-E-F and other line is L-M-N-O-P. If F has to communicate with P who is at the same level of authority. Then he/she has to take the route F-E-D-C-B-A-L-M-N-O-P. This is due to SCALAR CHAIN.



(Bridge---Gang plank)

GANG PLANK

- If there is emergency then 'F' can directly communicate with 'P', which is the shorter route and is provided so that communication is not delayed. This shorter route is called Gang Plank.
- "According to the Fayol gang plank should not be a normal practice as it undermines the established lines of authority.

10--ORDER

- **According to the Fayol” There should be place for everything (everyone)and everyone(everything) in its place”.**
- **In other words People and materials must be in suitable places at appropriate time for maximum efficiency.**
- **If every material resources like material, machine and other resources and every employees are at right place in right time then there will be increase in efficiency and productivity.**
- **Example:- If in a factory there is no fixed place of tools and equipment then workers & foremen have to waste time in finding tools ,when required by them**

POSITIVE EFFECTS AND CONSEQUENCES

POSITIVE EFFECTS: -

Effective utilization of human and physical resource.

No wastage of time in search of people, tools, material etc

Smooth function of organization due to orderliness.

ADVERSE EFFECTS-Inefficient use of resources.

Difficulty in contracting people in case of need.

11.

EQUITY

- **According to Fayol” This principle focus on kindness and justice in the behaviour of manager towards workers”.**
- **Good sense and experience are needed to ensure fairness to all employees.**
- **There should be no discrimination and impartial on the basis of sex, caste, religion, language, belief or nationality etc with any employees by their manager.**
- **Equal opportunities are available for everyone in companies to rise.**
- **Equal subordinate should get a fair treatment in matter of reward or punishment.**
- **Example:-The workers performing similar jobs should be remuneration at the same wage rate.**

POSITIVE EFFECT AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS- Employees are satisfied and their morale is higher.

- There are cordial relations between superior and subordinates.

ADVERSE EFFECTS -Employees are dissatisfied.

- There may be unhealthy relations between superior and subordinates.

12. STABILITY OF PERSONNEL

- According to the Fayol personnel should be selected and appointed after due and rigorous procedure.
- According to this principle” Employees once selected, should be kept at their post/position for a minimum fixed tenure” ie they should have stability of tenure.
- They should be given reasonable time to show results.
- Any adhocism (temporary) can create instability/insecurity in the mind of personnel .They will tend to leave the organisation.
- The employee should not be rotated on different jobs very frequently as minimum time period should be given to prove.
- In the case employee leave the job it will incur high cost for organisation as cost on recruitment, selection and training is high.

POSITIVE EFFECT AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS-It increase motivation of subordinates.

It increase commitment of the subordinates towards the organisation.

It leads to suggestions for improvements in work methods and cost reduction.

COSEQUENCES- The full potential of employees will not be used
Employees will feel frustrated if their initiative is curtailed.

13.

INITIATIVE

- Initiative refers to taking the first step with self-motivation.
- Fayol suggest that employees in the organisation must be given an opportunity to take some initiative in making and executing a plan.
- Initiative does not mean going against the established practices of the company.
- A good company should have an employee suggestion which result in substantial cost/time reduction should be rewarded.
- Example:-For new project in the company, the subordinates encouraged to give suggestions. This would motivate the employees to achieve new project target.

POSITIVE EFFECT AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS-It increase motivation of employees.

It increase commitment of subordinates towards organisation.

It leads to suggestions improvements in work methods and cost reduction.

ADVERSE EFFECTS-The full potential of employees will not be used. Employees will get frustrated if their initiative is not considered.

14.

ESPRIT DE CROPS (UNITY IS STRENGTH)

- According to Fayol, management should promote team spirit of unity and harmony among the employees.
- This will bring coordination and cooperation in organisation.
- A manager should replace 'I' with 'We' in all conversations with the employees to foster team spirit.
- This will give rise to mutual trust and belongingness among team members.
- It will minimise the case of penalties in any organisation.
- Example:-A finance head of company assigns a project to his subordinates and promise them team bonus for effective result. By this employees will show greater loyalty and commitment to their team.

POSITIVE EFFECTS AND CONSEQUENCES IF VIOLATED

POSITIVE EFFECTS :-Union is strength and work with team spirit.

Achievement of group goal.

Need for using penalties will be minimised.

ADVERSE EFFECTS :- Team goal may not be achieved.

There will be lack of team spirit as each work be self centered.